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**CHANGE AGENTS:
THE PROMISE OF SOCIAL ENTREPRENEURSHIP
FOR SUSTAINABLE DEVELOPMENT**

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ABSTRACT

This thesis explores the role of private sector social entrepreneurship in sustainable development in New Zealand. A review of literature reveals sustainable development to be a diverse, complex, and challenging concept, encompassing issues from rhetorical ambiguity to the accelerating deterioration and uncertainty in natural and social systems. While business is commonly seen to exacerbate many of the challenges associated with sustainable development, this research suggests that business, as it is utilised by social entrepreneurs to spur positive change, may be a powerful tool for achieving sustainability. Three cases of private sector social entrepreneurship in New Zealand are documented by this research, drawn from the coffee roasting, still bottled water, and film and media industries. The cases are used to elucidate the relationships that exist between the two phenomena within the thematic areas of conceptualisations of sustainable development, motivations and business, and change. The entrepreneurs in this research each demonstrate qualities consistent with assertions in the literature in that they desire to affect change, they are innovative, and that their pursuits are characterised by the creation of new value. These entrepreneurs expectedly contrast with many of their industry counterparts in their recognition of opportunities amidst threat or tragedy, their desires to benefit society in some way, and in their use of business to affect positive change. However, this research also offers new knowledge regarding the role of social entrepreneurship in sustainable development through explicating the ways in which the entrepreneurs each conceptualise sustainable development. Furthermore the entrepreneurs unanimously observe that achieving sustainable development necessitates both incremental and fundamental approaches to change. Also of emergent significance are the roles adopted by the entrepreneurs in education and in raising awareness towards catalysing changes in the ways we live, think and behave. Taken together, as agents of change, social entrepreneurs present much hope and promise in realising a more sustainable world.

PREFACE AND ACKNOWLEDGEMENTS

Sustainable development is a topic that I feel strongly about. As a future father I want to preserve the ability for my children to grow up in a world where they're offered at least every opportunity that I have available to me today; the opportunity to experience pristine natural environments, to fulfill their basic human needs, to work and earn a living wage, a world characterised by a sound environment, a just society, and a healthy economy. Having developed an interest in sustainable development during my Bachelors degree, my penchant to undertake further studies and research naturally leant itself to the subject. In addition was the interest I'd developed in social entrepreneurship through reading about, and in some cases meeting quite remarkable New Zealanders that had a vision to change the world for good through business. As such, combining sustainable development and social entrepreneurship became a natural fit with my interests and hence the broad focus of my research.

There are a number of people and organisations that must be acknowledged in helping to make this research investigation possible. Firstly, my deepest appreciation goes to my lovely wife, Lauren, for her encouragement and support throughout the year. The support of my employer, Waikato Regional Council, who provided me with assistance in terms of time off from work to complete this research investigation was most helpful and is greatly appreciated. My sincere thanks go to the University of Waikato, who through the provision of a Masters Research Scholarship provided valuable financial support for me over the past year. The effort, care and direction of my supervisors Dr. Eva Collins and Dr. Suzanne Grant in guiding me through the research process was invaluable, they made what was at times a difficult task as enjoyable and rewarding as I could have possibly hoped. Lastly, but most importantly, the time and effort of Matt Lamason, Grant Hall and Qiuqing Wong – the three outstanding New Zealanders and social entrepreneurs chronicled in this thesis – is gratefully acknowledged. Without their input and enthusiasm this important research would not have been possible.

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CHAPTER I: INTRODUCTION

*"It is not the answers that show us the way, but the questions." Rainer Maria Rilke,
Czech poet*

Roper and Cheney (2005) capture the central meaning and significance of social entrepreneurship when they state, "In its least problematic formulation, social entrepreneurship seeks to marry rational economic calculation and socially inspired vision" (pg. 102). In regard to social entrepreneurship, Roberts and Woods (2005) state that research in the field is "at an exciting stage of infancy, short on theory and definition but high on motivation and passion" (pg. 45). They follow that the challenge for research is to transform an "inherently practitioner-led pursuit into a more rigorous and objective discipline" (pg. 45). More recently, Murphy and Coombes (2009) highlight the imbalance between social entrepreneurship practice and understanding, stating while "social entrepreneurship activity continues to surge tremendously in market and economic systems around the world... social entrepreneurship theory and understanding lag far behind its practice" (pg. 325). They argue the case for further research and theory that "explicitly emphasizes the distinct aspects of social entrepreneurship" (pg. 327) identifying that this will provide unique heuristic value to knowledge and understanding within the field.

In a three-year research project, Seelos and Mair (2005) demonstrated a broad relationship between social entrepreneurship and sustainable development by mapping the contributions of a selection of social entrepreneurs to the United Nations Millennium Development Goals. The Millennium Development Goals were derived from the United Nations Millennium Declaration adopted by 192 United Nations member states at the Millennium Summit in 2000. The goals were developed from the eight chapters that make up the declaration, including the eradication of extreme poverty and hunger, ensuring environmental sustainability, and developing a global partnership for development. While this research is useful, by covering such a large number and wide scope of subjects, generally at a size and scale beyond what one might find within a New

Zealand setting, any detail around the mechanisms used, or factors present in achieving the outcomes was not available.

In regard to research and theory on social entrepreneurship, Mair and Martí (2006) argue that, “given the early stage of the field, a wide variety of research questions require further attention” (pg. 43). Of note, they suggest enquiring as to “what is the link between social entrepreneurship and sustainable development, and how can social entrepreneurship contribute to sustainable development” (pg. 43).

The World Commission on Environment and Development (1987) offers a simple portrayal of sustainable development stating, “In its broadest sense, the strategy for sustainable development aims to promote harmony among human beings and between humanity and nature” (pg. 73). However, this simplicity extends only so far as its portrayal, Hart and Milstein (2003) make it clear “that the challenge of global sustainability is complex, multidimensional, and emergent in character” (pg. 64).

While academic research in the fields of sustainable development and social entrepreneurship has grown significantly in recent years with some associations being drawn between the two fields (Demirdjian, 2007; Seelos & Mair, 2005), there is a need for additional research to improve the level of understanding of the relationships that exist between the two. For example, Shaw and Carter (2007) state, “The contribution which social entrepreneurs make to a nation’s social, economic, cultural and environmental wealth is being increasingly recognised” (pg. 418). Additionally, Roper and Cheney (2005) identify, “An important avenue toward responsible and sustainable business is ‘social entrepreneurship,’ although its appearance has been more marked in practice than in academic research” (pg. 95). As such, there remains an abundance of opportunities for research into this burgeoning field. In undertaking this research it is hoped that greater understanding on social entrepreneurship and sustainable development as well as the relationships that exist between these two important phenomena may be achieved.

The key research question of this thesis allows for important meaning to be discovered by offering a sufficiently broad but sensibly restricted focus of inquiry. Specifically this research seeks to examine and explore the question:

1. How does private sector social entrepreneurship play a role in sustainable development in New Zealand?

Embodied in this question are two aims. The first aim is to examine what the link is between the two phenomena. The second aim is to discover what is distinctive in how private sector social entrepreneurship contributes to sustainable development within a New Zealand context. Other expected research outcomes from this investigation include:

- Documentation of case studies for further learning; and
- The identification of areas for further research.

In order to achieve these outcomes a multiple case study approach at the exploratory stage of theory building is employed as a means of achieving an understanding of the linkages between private sector social entrepreneurship and sustainable development. Following best practice, in-depth interviews triangulated through observations, documentation, archival data and other secondary sources are used to obtain a detailed understanding of the focus of inquiry (Eisenhardt & Graebner, 2007; Yin, 2003).

In addition to the marked shortage in understanding outlined above, there are a number of reasons for wanting to understand the role of social entrepreneurship in sustainable development. For example, if evidence suggests that social entrepreneurship can play a critical role in sustainable development it may call for government assistance through incentive schemes, legislation, and other mechanisms that support the efforts of social entrepreneurs. In addition, it may be useful for investors and customers who wish to invest in, and purchase from, businesses with strong associations and contributions to sustainable development. If social entrepreneurship is able to shift behaviour patterns and perceptions as suggested by Bornstein (2007), it may offer a useful mechanism towards achieving sustainable development. Lastly, of research into social entrepreneurship, Roberts and Woods (2005) state:

The imperative is to grow awareness and support for this tool for social transformation. More rigorous and longitudinal research is needed to capture the essence of the processes and techniques used by social entrepreneurs...[and] further research will help academia to give social entrepreneurship the status it requires to be taken on as a legitimate and worthy topic to research and teach. (pg. 51).

Having briefly presented the rationale for the investigation through highlighting the potential of social entrepreneurship in sustainable development, the key research question, and an overview of the case study design and method that will be used in this thesis, the following chapter provides a review of literature on the subject matter. Subsequent chapters will then cover the methods used in carrying out this research before presenting the case studies, findings and concluding statements of this research.

CHAPTER II: REVIEW OF LITERATURE

This thesis is focussed on examining and understanding the space that exists between social entrepreneurship and sustainable development. Literature identifies some broad associations between the two fields (Shaw & Carter, 2007; Roper & Cheney, 2005), but also identifies the need for further investigation of fundamental issues such as the linkages between the phenomena and the contribution of social entrepreneurship to sustainable development (Mair & Martí, 2006).

Thus a review of literature is undertaken with a view to finding out what is distinctive in how the two phenomena are related, specifically how social entrepreneurship plays a role in sustainable development. This involves an examination of the key concepts, factors, and the relationships that exist among them. Additionally, the identification of any current absence or deficiency in knowledge will help to limit and refine the focus of inquiry so that a useful contribution can be made to the shared understanding on the topic.

The literature review is structured in three main sections, beginning with an examination of the challenge presented by sustainable development, followed by a discussion on the relationship between markets and sustainable development, and finally an examination of what promise social entrepreneurship holds for sustainable development (see figure 1).



Figure 1: Literature review structure

THE CHALLENGE OF SUSTAINABLE DEVELOPMENT

“When my parents were growing up the world's population was under three billion. During my children's lifetime, it is likely to exceed nine billion. You don't need to be an expert to realise that sustainable development is going to become the greatest challenge we face this century” - Tony Blair, March 2001

“Since the answers to fundamental and serious concerns are not at hand, there is no alternative but to keep trying to find them” – Gro Harlem Brundtland, Oslo, 20 March 1987

The Challenge of Sustainable Development

Reconciling Markets and Sustainable Development

The Promise of Social Entrepreneurship

INTRODUCTION

To understand the challenge of sustainable development, it is useful to firstly observe where we've already been. The premises underlying sustainable development can be traced back many years, through pivotal articles, publications and events all marking the progression in thought and sense of urgency to take action to address humanity's greatest challenge: how to move forward in ways that steer clear of catastrophe within natural and social systems. Though one may look back centuries to works such as *An Essay on the Principle of Population* by Reverend Thomas Robert Malthus first published in 1798, one need not look further than recent decades for a wealth of thinking that has influenced and shaped the place in which we find ourselves today. While an in-depth historical analysis is beyond the scope of this paper, a small selection of influential thinking considered relevant to this research is now highlighted and discussed.

In 1962, Rachel Carson's landmark book *Silent Spring* was published. Widely regarded as the source of the global environmental movement (Briggs, 1997), *Silent Spring* provided an insight into the delicate interactions between living things and the

environment by focussing on the irreversible and destructive effects of chemical pesticide use upon the environment and its inhabitants. Carson (1962) described the use of chemical pesticides such as DDT, and the subsequent contamination of the air, earth, rivers and sea as “the most alarming of all man’s assaults upon the environment” (pg. 6). Not surprisingly, Eyles and Consitt (2004) describe how the propositions of *Silent Spring* reverberated throughout both the scientific community and public conscience initiating “a growing wave of research into the linkages between environment and human health” (pg. 26). Carson (1962) also highlighted the intergenerational impact and accountability for our actions stating that, “Future generations are unlikely to condone our lack of prudent concern for the integrity of the natural world that supports all life” (pg. 13).

In 1968, Garret Hardin asserted in his pivotal article, *Tragedy of the Commons*, that, “ruin is the destination toward which all men rush, each pursuing his own best interest in a society that believes in the freedom of the commons. [However] Freedom in a commons brings ruin to all” (Hardin, 1968, pg. 1245). Hardin (1968) used the *Tragedy of the Commons* to describe the dilemma whereby rational individuals acting out of self-interest and seeking to maximise their own gain will inevitably overexploit communal resources to the point where there are undesirable effects for society as a whole. While Hardin’s (1968) outlook was somewhat bleak, he did identify that, “education can counteract the natural tendency to do the wrong thing, but the inexorable succession of generations requires that the basis for this knowledge be constantly refreshed” (Hardin, 1968, pg. 1245). Such a view provides a sound rationale for ongoing research and investigation to maintain and build upon knowledge through successive generations.

Founded the same year was The Club of Rome, a not-for-profit organisation created with the express purpose of finding “structured responses to growing world-wide complexities and uncertainties” (The Club of Rome, 1970, pg. 1). In 1972, The Club of Rome issued its defining report *The Limits to Growth* that outlined the fragile relationships between economic growth and the environment. As with Hardin’s (1968) *Tragedy of the Commons*, the report was underpinned by the premise that growth could not continue unrestrained due to the finite capacities of the earth and its resources.

The year of 1972 also saw the United Nations Conference on the Human Environment held in Stockholm. The conference ratified the *Declaration of the United Nations Conference on the Human Environment*, also known as the *Stockholm Declaration*, and led to the formation of the current United Nations Environment Programme. The *Stockholm Declaration* contained 26 common principles “to inspire and guide the peoples of the world in the preservation and enhancement of the human environment” (United Nations Conference on the Human Environment, 1972, pg. 1). Principle six captures both the problem and solution to issues of the human environment stating that, “Through ignorance or indifference we can do massive and irreversible harm to the earthly environment on which our life and well being depend” (United Nations Conference on the Human Environment, 1972, pg. 1). However, they follow that through “fuller knowledge and wiser action” all humanity, including future generations, can achieve “a better life in an environment more in keeping with human needs and hopes” (United Nations Conference on the Human Environment, 1972, pg. 1).

In 1977 former Chancellor of West Germany and Nobel Laureate Willy Brandt was appointed chair of the Independent Commission on International Development Issues. The Commission was tasked “to study the grave global issues arising from the economic and social disparities of the world community and to suggest ways of promoting adequate solutions to the problems involved in development and in attacking absolute poverty” (Independent Commission on International Development Issues, 1980, pg. 296). In 1980 the Commission issued the report *North-South: A Programme for Survival*. The report highlighted the Commission’s belief that the following two decades could prove fateful for mankind were action not taken immediately to address a range of global issues such as hunger and malnutrition, rapid population growth, arms proliferation and disarmament, reform of the international monetary system, new approaches to development finance, and international cooperation. Underpinning the report was the issue of North-South relations, more specifically the economic divide between the industrialised countries of the North and the developing countries of the South. The Commission labelled the predicament “the greatest social challenge of our time” (Independent Commission on International Development Issues, 1980, pg. 7). In the shadow of this challenge, the

report also set out to demonstrate that the mortal dangers threatening future generations could be averted and presented a range of recommendations as well as a programme of priorities to be enacted by governments, business and society. In 1983, The Brandt Commission issued a revised version of the original report under the title *Common Crisis* identifying what they considered a rapid deterioration in economic conditions and renewed its call for global action.

In the same year, at the 38th Session of the United Nations, the General Assembly adopted resolution 38/161 which provided for the establishment of a special commission whose purpose was to “make available a report on environment and the global problématique to the year 2000 and beyond, including proposed strategies for sustainable development” (World Commission on Environment and Development, 1987, pg 1). Later renamed The World Commission on Environment and Development, the independent body was tasked with re-examining “the critical issues of environment and development and to formulate innovative, concrete, and realistic action proposals to deal with them” (World Commission on Environment and Development, 1987, pg. 347). Four years later in 1987, the commission delivered the report *Our Common Future*, which today remains one of the most well known commentaries on sustainable development. Also popularly known as the *Brundtland Report*, named after former Norwegian Prime Minister Gro Harlem Brundtland who chaired the Commission, the report draws attention to environmental, social, and economic concerns of a magnitude that have the capacity to threaten the continued survival of humankind. Issues such as food security, health, poverty, uneven development, environmental degradation, population pressure, human rights, and global warming all marked the necessity for a globally embraced approach to development that addressed these global concerns. The Commission observed that, “The Earth is one but the world is not. We all depend on one biosphere for sustaining our lives. Yet each community, each country, strives for survival and prosperity with little regard for its impact on others” (World Commission on Environment and Development, 1987, pg. 19).

It was the Brundtland Report that set the stage for the groundbreaking United Nations Conference on Environment and Development held in Rio de Janeiro in 1992. At the

time, “The Rio Summit was the largest environmental conference ever organized, bringing together over 30,000 participants, including more than one hundred heads of state” (United Nations Commission on Sustainable Development, 2007, pg. 1). The Summit ratified two key documents, the *Rio Declaration on Environment and Development*, also known as the *Rio Declaration*, and the landmark programme known as *Agenda 21*; the Summit also led to the formation of the present United Nations Commission on Sustainable Development.

The *Rio Declaration on Environment and Development* comprises 27 principles designed to promote cooperation and agreements among nations and people that respect and protect the integrity of global environmental and developmental systems and take account of the integral and interdependent nature of the earth (United Nations Conference on Environment and Development, 1992). The Rio Summit also saw the adoption of *Agenda 21*, a programme of action designed to facilitate progress towards achieving sustainable development, Agenda 21 outlines that despite previous efforts, “we are confronted with a perpetuation of disparities between and within nations, a worsening of poverty, hunger, ill health and illiteracy, and the continuing deterioration of the ecosystems on which we depend for our well-being” (United Nations Conference on Environment and Development, 1992, para. 1). As a way forward, the programme sets out a range of objectives, activities and means of implementation towards a greater integration of environment and development concerns with the purpose of addressing current problems and “preparing the world for the challenges of the next century” (United Nations Conference on Environment and Development, 1992, para. 3).

In September of 2000, world leaders gathered for the Millennium Summit at the United Nations headquarters in New York. As described in the Millennium Report of the Secretary-General *We the Peoples: The Role of the United Nations in the 21st Century* the purpose of the Summit was to identify the major challenges that lay ahead for humanity at the turn of the 21st century and to determine the role of the United Nations in acting upon them (Annan, 2000). Secretary-General Kofi A. Annan stated, “There is so much to be grateful for: There are also many things to deplore, and to correct” (Annan, 2000, pg. 5). Accordingly, the Summit ratified the *United Nations Millennium Declaration*

recognising a “collective responsibility to uphold the principles of human dignity, equality and equity at the global level” (United Nations, 2000, para. 2). The *Declaration* highlighted a number of key objectives later used as the basis for the Millennium Development Goals adopted by the United Nations member states in 2001. The Millennium Development Goals, each containing a range of targets to be achieved by 2015, include the eradication of extreme poverty and hunger, the achievement of universal primary education, promoting gender equality and empowering women, reducing child mortality, improving maternal health, combating HIV/AIDS, malaria, and other diseases, ensuring environmental sustainability, and developing a global partnership for development.

Lastly, in 2002, three decades since Stockholm and one decade since Rio the United Nations World Summit on Sustainable Development was held in Johannesburg. The Summit ratified the *Johannesburg Declaration on Sustainable Development* as well as the *Plan of Implementation of the World Summit on Sustainable Development*. The *Johannesburg Declaration* identifies the ever-increasing gap between the developed and developing worlds as a deep fault line dividing human society and “a major threat to global prosperity, security and stability” (United Nations World Summit on Sustainable Development, 2002, pg. 2). The *Johannesburg Declaration* is also specific as to the continuing deterioration of global environmental conditions such as biodiversity loss, desertification, climate change and pollution. As such, participants in the Summit agreed to “assume a collective responsibility to advance and strengthen the interdependent and mutually reinforcing pillars of sustainable development – economic development, social development and environmental protection – at the local, national, regional and global levels” (United Nations World Summit on Sustainable Development, 2002, pg. 1).

It is clear that humanity faces common challenges and crises not easily solved, a perpetuation of global disparities among human beings and the continued deterioration in the conditions and relationships that exist between humanity and nature. Recent history is marked by repeated calls to action to address these challenges and also the need for humanity to change the ways in which we think and behave, what the *Stockholm Declaration* coined “fuller knowledge and wiser action” (United Nations Conference on

the Human Environment, 1972, pg. 1) more than 35 years ago. Reinforcing the objectives of this research, it is a fair assessment that the observation made by the World Commission on Environment and Development (1987) still holds true today, “Since the answers to fundamental and serious concerns are not at hand, there is no alternative but to keep trying to find them” (pg. 11).

RHETORICAL TURBULENCE

Another aspect in understanding the challenge of sustainable development can be found in the complexity of defining the concept. While most people today will have met with the ideas of sustainability and sustainable development, it would come as no surprise if only a handful could define it in some meaningful way. Hart (2005b) describes that the terms sustainability and sustainable development have considerable implied meaning and that “in conversations with others, one may quickly discover that although the words ‘sustainability’ and ‘sustainable development’ are being used, the speakers are using them to mean different things” (pg. 21). Such variation in use, Frazier (1997) contends, may be derived from the multitude of interpretations that have emerged from a variety of disciplines to meet different needs. While on the surface such interpretive variation may be construed as a conceptual weakness, it does not provide any evidence of fault in the discourse or logic of the concept but rather demonstrates the variety of contexts to which sustainability or sustainable development has precise or logical relevance. What such variation does make necessary however, is to establish some definitional agreement for the purpose of this thesis. As identified by Dunphy, Benveniste, Griffiths, and Sutton (2000), “some kind of description of the concepts [sustainability and sustainable development] is necessary to establish the broad domain of discussion” (pg. 22).

While the terms are often used interchangeably, Dunphy et al (2000) describe sustainability as the goal or endpoint of a process called sustainable development in saying “a sustainable society is considered to be a society that has reached sustainability through this process [sustainable development]” (pg. 22). In essence it is this process that is of primary interest to this study, for while the respective goal or endpoint of sustainability is of importance, it is of little value without a clear understanding of the

ways in which it is reached. However, subsequent chapters will maintain the practice of interchangeable use of the two terms in order to maintain conversational flow.

Concerning a defining statement of sustainable development, Kates, Parris and Leiserowitz (2005) state that the Brundtland definition “is surely the standard definition when judged by its widespread use and frequency of citation” (pg. 10). Yet while the Brundtland definition is widely supported (Byrch, Kearins, Milne & Morgan, 2007; Glasby, 2002; MacNeill, 2006) it has not escaped criticism. Luke (2006) for example, describes the Brundtland definition as vague and one that leaves a number of crucial questions begging, specifically around the meaning of needs.

Sneddon, Howarth and Norgaard (2006) also draw attention to criticisms of the partiality of sustainable development that have emerged from segments of academia and society, identifying socio-cultural critics who label sustainable development as a ruse that discounts the needs and aspirations of marginalised populations under the pretense of green development; or those grounded in the ecological sphere that claim that sustainable development is unforgivably anthropocentric and subsequently unable to reconcile “the false barriers between the human sphere of economic and social activities and the ecological sphere that sustains these activities” (pg. 260).

In any case, as already discussed, the limited precision in detail offered by the concept is not indicative of any fault but rather calls attention to the multiplicity of functions and contexts in which sustainable development has precise or logical relevance. As Carter (2001) appropriately points out, all the debate surrounding the meaning of sustainable development may actually disparage one of its great strengths that can be found in the fluidity that the phenomenon affords. “Rather like other political concepts, such as democracy or justice, sustainable development is widely seen as a 'good thing' and has a generally accepted common-sense meaning within broad boundaries” (Carter, 2001, pg. 201). Such generally accepted common-sense meaning can be drawn from the historical premises underlying the concept. As previously discussed, pivotal articles, publications and events mark the progression in thought and sense of urgency to take action to address humanity’s greatest challenge: how to move forward in ways that steer clear of

catastrophe within natural and social systems. It is through such generally accepted meaning that participants are able to engage with one another in dialogue and action regardless of any semantic differences participants may ascribe to the phenomenon (Carter, 2001). Sneddon et al (2006) support this notion stating, “Sustainable development’s function in the international system is to provide a conceptual meeting place for many actors, and a shared set of assumptions for their communication and joint action” (pg. 259).

As such, this research adopts a pluralistic conceptualisation of sustainable development departing from any sole socio-cultural, ecological or other partial viewpoints to an all-embracing shared space where ecological, social and economic systems are deeply interconnected (Schlange, 2007; Sneddon et al, 2006). Such a pluralistic stance “provides a way out of the ideological and epistemological straightjackets that deter more cohesive and politically effective interpretations of SD [sustainable development]” (Sneddon et al, 2006, pg. 253). As will be shown sustainable development is a concept that transcends boundaries and opens up “new spaces for advancing widely shared social and ecological goals” (pg. 259). While the reader may be drawn to the recurrence of environmental discussions in this thesis, this is not representative of a departure from such the pluralistic viewpoint taken, rather it is representative of the pervasively integrative nature of environmental issues in both social and economic systems (Sneddon et al, 2006).

In light of this, and following its widespread use and frequency of citation, the Brundtland definition is adopted for the purposes of this thesis. It states:

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts.

The concept of ‘needs’ in particular the needs of the world’s poor, to which overriding priority should be given; and

The idea of limitations imposed by the state of technology and social organisation on the environment’s ability to meet present and future needs (World Commission on Environment and Development, 1987, pg. 43).

The concepts of needs and intergenerational equity are fundamental to sustainable development. Consequently, by exploring these concepts, a greater understanding of the challenges presented by sustainable development can be achieved.

In the context of the Brundtland Report ‘needs’ can be said to encompass “a sound environment, a just society and a healthy economy” (Dunphy et al, 2000, pg. 22). These three objectives have become the basis of numerous definitions of sustainable development. For example, “In 1998, OECD Ministers identified sustainable development as a key priority for future work, and agreed to interpret the term ‘sustainable’ to include social, environmental and economic aspects” (Martin, 2001, pg. 10). From a business perspective Placet, Anderson and Fowler (2005) describe these objectives as “environmental stewardship, social responsibility and economic prosperity” (pg. 32). They explain their interpretation of the dimensions stating:

Environmental stewardship involves protecting air, water, land, and ecosystems, as well as effectively managing the earth’s natural resources (including fossil fuels). Social responsibility means improving the quality of life and equity for employees of the enterprise and for society as a whole. Economic prosperity results from the creation of economic opportunity for both the enterprise and its stakeholders (e.g., the communities in which it is located) (pg. 32).

It is also acknowledged that some have defined needs under sustainable development to include a separate fourth ‘cultural’ objective, this research however adopts the position that the social dimension is inclusive of the customs, arts, social institutions, attitudes, behaviours and achievements that collectively make up the cultures of particular social groups. As such, conversations of social and cultural objectives are mutually inclusive of one another.

As well as needs, the Brundtland definition raises the issue of equity among generations. In the *Report of the Expert Group Meeting on Identification of Principles of International Law for Sustainable Development* prepared for the United Nations Commission on Sustainable Development, intergenerational equity is identified as a basic principle of sustainable development. The report identifies “that as ‘members of the present generation, we hold the earth in trust for future generations’, while ‘at the same time we are beneficiaries entitled to use it’” (United Nations Commission on Sustainable

Development, 1995, pg. 42).

Weiss (1992) identifies that there are many approaches that can be taken in defining intergenerational equity such as those found within preservationist, opulence, technology and environmental economics models. However, Weiss (1992) argues that there are three fundamental principles that should form the basis of intergenerational equity and the corresponding obligations and rights of each generation; these are the conservation of options, the conservation of quality, and the conservation of access. The conservation of options holds that each generation should preserve the collective diversity of resources within natural and social systems so that future generations have a range of options available for the resolution of their own problems. The conservation of quality holds that in addition to maintaining the diversity of resources within natural and social systems, so too should the collective quality of these resources and the systems that support them be preserved to a standard comparable to which the present generation inherited them. Lastly, the conservation of access holds that the present generation has a reasonable, non-discriminatory right of access to resources within natural and social systems to improve their own wellbeing, but that this access must respect the equitable duties to future generations identified in conserving their diversity and quality (Weiss, 1992).

The Brundtland definition also raises the notion of limitations imposed by the state of technology and social organisation on the ability to meet present and future needs. This represents the assumption that alternative forms of technology and social organisation have the ability to alter the environment's capacity to provide for the needs of present and future generations. For example, Weiss (1992) highlights that as well as preserving existing resources; options can also be conserved through "technological developments that create substitutes for existing resources or processes for exploiting them more efficiently" (pg. 403). Literature also highlights the conceptual challenges of understanding future generations (Jansen, 2003). To overcome any cognitive challenges to understanding, Jansen (2003) offers that "future generations may be practically understood to define a context of three generations; a scope which people usually have the experience and affinity to comprehend" (pg. 232). This means considering one's children, grandchildren and great grandchildren.

Taken together the concepts of needs and intergenerational equity help to underscore the challenge that sustainable development presents, or as Byrch et al (2007) identify, “express environmental and social points of view that, if accepted, imply broad-ranging and fundamentally challenging responsibilities for both government and business” (pg. 28).

THE CHALLENGE OF CHANGE

While on the surface there may appear to be an inviting simplicity in meeting the needs of present and future generations, sustainable development is an exceedingly complex challenge, which remains without a fixed prescription. Hart and Milstein (2003) state that, “it should be clear that the challenge of global sustainability is complex, multidimensional, and emergent in character” (pg. 64). The World Commission on Environment and Development (1987) demonstrates pragmatism in acknowledging the challenges and complexities that sustainable development presents. They identify that given the wide-ranging heterogeneity of economic, social and ecological systems that exist within and between countries, “No single blueprint of sustainability will be found,” and describe that while sustainable development should be seen as a global objective, “each nation will have to work out its own concrete policy implications” (pg. 51).

In addition, the World Commission on Environment and Development (1987) highlights that sustainable development is a process of change rather than some fixed state of harmony through which “the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs” (pg. 25). The view of sustainable development as a process of change is central to understanding the challenge that it presents. As Easton (2007) describes, the state where human needs are met, and personal and social growth accommodated will likely be a moving target requiring widespread artistry and vigilance to achieve. “It is not simply a destination or a goal to be attained, but rather a lasting challenge” (Easton, 2007, pg. 171).

While literature draws attention to the achievements and progress made to date in addressing the common challenges and crises faced by humanity (Jansen, 2003), it also raises concern and expresses criticism of the failures. Kofi A. Annan, the former Secretary-General of the United Nations stated at the turn of the 21st century that “There is so much to be grateful for: There are also many things to deplore, and to correct” (Annan, 2000, pg. 5). Dyllick and Hockerts (2002) claim that progress towards global sustainability remains suspiciously absent, observing that:

International treaties on the protection of biodiversity and climate change have stalled. Free trade on a global scale (which was seen as a major tool to advance economic sustainability) has fallen foul of anti-globalization protests. Finally, sincere attempts towards alleviation of poverty and inequality are virtually inexistent (pg. 131).

Rechelbacher (2008) asserts increased urgency for change describing sustainable development as a crisis from which new directions must be found. According to Rechelbacher (2008), we are encountering the consequences of the choices and actions that we have taken, or have neglected to take, regarding a way of living that is no longer viable. “If we continue on the same path, in denial, stubbornness or resignation, we will probably move deeper into whatever danger the crisis has revealed” (Rechelbacher, 2008, pg. 54). Of note, Jim MacNeill, the former Secretary-General of the World Commission on Environment and Development, and chief architect and lead author of its report *Our Common Future*, is critical of progress towards sustainability, emphasising the current inadequacy in the pace and scale of change necessary to achieve sustainable development. He describes that the strategic imperatives fundamental to any transition to sustainability, such as increasing equity within and between nations, reducing poverty, re-orienting technology, reducing the energy and resource content of growth, and merging environment and economics in decision-making have not seen the progress necessary to achieve sustainable development. “Some of them have received considerable attention since 1987 and we’ve seen some progress. But in no case has it been at the pace and scale needed to keep up with the unsustainable trends that we charted in *Our Common Future*” (MacNeill, 2006, pg. 168). He concludes that, “All we have to do to destroy our habitat on this green Earth is to continue what we are now doing” (pg. 170). Senge (2008) echoes this concern in his description of the “mounting series of environmental and social crises”

(pg. 5) the world presently faces and expresses doubt as to our ability to respond to them appropriately stating, “the real problem is not these crises per se but the likelihood that our responses will be completely inadequate” (pg. 6).

Sustainable development sets out an immense challenge for humankind: the challenge to change the ways in which we live, think, and behave in order that we may preserve our ability to live in a world where the needs of the present are met without compromising the ability of future generations to meet their own needs. Notable scholars and authorities have expressed concern regarding the insufficient pace and scale of recent efforts to address the common challenges and crises faced by humanity and argue that our continued efforts and ability to respond in the future may be completely inadequate. It is clear that fundamental changes are necessary in order to reach a sustainable future, not at incremental rates, but at an increased pace and scale not yet seen in our recent history of effort towards sustainability. We are at what Rechelbacher (2008) describes as a fork in the road, where a new, healthier path or direction must be chosen lest we destroy our habitat on this green earth.

RESPONSIBILITY: CULPABILITY, CAPACITY AND CONCERN

Understanding the necessity of change in the process of sustainable development raises questions such as: who can lead such change? And, who should take responsibility? These are questions that require a timely response. Senge (2008) states that, “the time for shifting responsibility to others, or covering up deep problems with simplistic solutions that only make problems ‘go away’ for a short time is running out” (pg. 22). While the determination of responsibility for sustainable development is a topic that merits its own detailed discussion and debate, a brief examination is necessary towards understanding the linkages between social entrepreneurship and sustainable development.

Mostafa Kamal Tolba (1998), the former Executive Director of the United Nations Environment Programme and Chairman of the Commission on Sustainable Development, describes achieving sustainable development as one of the most pressing and difficult goals faced by humanity, a goal requiring widespread commitment, action, partnerships

and even sacrifices. In short, Tolba (1998) argues that it is the responsibility of all humanity to make a commitment to take action in addressing the challenge of sustainable development, such was the call for “fuller knowledge and wiser action” at Stockholm in 1972.

However, while the need for a globally embraced approach towards responsibility for addressing sustainable development is acknowledged, conditions do not always enable all people to take action. For example, Beckett (2004) states that “Many unsustainable behaviours are locked-in and made 'normal', not just by the way that we produce and consume, but by the absence of easy alternatives”. In spite of this, Karlsson (2007) identifies that there are agents who, through culpability, capacity and concern, assume greater responsibility than others for addressing sustainable development. These three principles are now discussed and help to frame the following discussions within this thesis, particularly as they relate to business and social entrepreneurship.

The principle of culpability stipulates that those “agents who contribute to the problem in question, agents who are to some degree ‘culpable’ in a causal and moral sense, should take responsibility for the effects of their action on others and seek to rectify the situation” (Karlsson, 2007, pg. 105). For example, a pesticide manufacturer may choose to offer a free collection and safe disposal service for unused products so that they are not disposed of in a manner that may cause harm to the environment and people.

However, the culpability principle presents the problem that “who or what is seen as culpable depends on who is making the judgment and on what criteria they use” (Karlsson, 2007, pg. 106), which can make it difficult to identify reasonable culpability with precision. Karlsson (2007) explains that causal linkages are often difficult enough to establish in simple localised problems within closed systems let alone those within more complex globalised contexts characterised by increasing distance and detachment between decisions and impacts, which significantly impairs the ability of agents to oversee and control the consequences of their actions. Moreover, even if causal linkages can be established it may be that those culpable do not possess the skills and resources necessary to rectify the situation.

The principle of capacity follows that, “agents who have the capacity to address a problem more effectively or efficiently should assume the responsibility to do so even if they are not culpable for the problem” (Karlsson, 2007, pg. 108). As an example, a not-for-profit organisation may be suited for addressing gambling addiction through the provision of support services and counseling due to their greater ability to mobilise the resources necessary to address the problem, even in the absence of any culpability toward the problem. Karlsson (2007) asserts that it is the effectiveness of agents that is most critical “reflecting the priority to achieve substantial changes in desired sustainability directions” (pg. 108). This view maintains that it is possible to determine the course of action that is required to address the problem and that agents possess the skills and resources to undertake them.

Lastly, the principle of concern asserts that, “the primary motivation for action is concern for those who suffer the impacts of, for example, poverty or environmental degradation” (Karlsson, 2007, pg. 108). This concern can manifest through self-interest where the focus is on the agent him/herself and his/her immediate family, or through altruism where the focus is on others who suffer no matter who they are or where they live. In such cases, assumption is made that sufficient information on the causal linkages is available and that the agent has the skills and resources necessary to take action.

While all three principles are important to discussions on the responsibilities for addressing the challenge of sustainable development, this research tends towards the principles of capacity and concern relating to those agents who possess sufficient concern, information on causal linkages, and the capacity to take action. As will be shown, there is promise for addressing the challenge of sustainable development in reconciling an apparent juxtaposition: the force that capital markets are able to bring to development paired with agents who possess distinctive capacities and concern for bringing about change (Hartigan, 2006).

RECONCILING MARKETS AND SUSTAINABLE DEVELOPMENT

*“Business - more than either government or civil society - is uniquely equipped at this point in history to lead us towards a sustainable world in the years ahead.”
(Hart, 2005a, pg. 3)*

The Challenge of Sustainable Development

Reconciling Markets and Sustainable Development

The Promise of Social Entrepreneurship

THE PROBLEM OR THE SOLUTION

One of the most significant issues met with in arguing the business case for sustainability is how to reconcile the image of business as the *exacerbator* of, rather than the *solution* to, many of the problems that sustainable development looks to address. Several authors draw attention to ‘market failure’ as a source of such perceptions. Pastakia (1998) states “one of the major failures of the market system has been the inability to deal with the negative environmental externalities generated at various stages in the production-consumption cycle” (pg. 157). Pastakia (1998) maintains that in the long-term these externalities may lead to biodiversity depletion, ecosystem imbalances, loss of ecosystem resilience and the ultimate destruction of life support systems. Hart and Milstein (2003) broaden this view to include social and economic concerns, drawing attention to the disparate results engendered by a decade of global capitalism including saturation in developed markets, a widening gulf between the have and have-nots, and increasing rates of environmental degradation that have, “combined to create drag on the global economy” (pg. 56).

Perhaps the most difficult issue to reconcile is how the pursuit of profit can simultaneously accommodate sustainable development. Collins, Lawrence, Pavlovich and Ryan (2006) identify the widespread view that, “business is often seen as the cause of,

rather than the solution to environmental problems because of its primary focus on continued growth and financial viability” (pg. 729). However, Dunphy, Griffiths and Benn (2007) point out that, "It is a naïve and simplistic view that portrays corporations as evil by their very nature” (pg. 7). To rationalise, they follow that, “Almost everything we depend on in our modern world is the product of corporations - from the food we eat, the clothes we wear, to the phones and computers we use to communicate with each other" (pg. 7). This research looks to demonstrate that profit and sustainability need not be mutually exclusive pursuits, they can in fact be complementary, and in cases a stimulus for the fundamental changes required to bring about a sustainable world.

COST OR OPPORTUNITY

Hart and Milstein (2003) describe that the meaning of, and motivation for sustainability in business varies on a case by case basis, “For some managers, it is a moral mandate; for others, a legal requirement. For still others, sustainability is perceived as a cost of doing business - a necessary evil to maintain legitimacy and right to operate” (pg. 56). As Collins et al (2006) identify, there is a perceived difficulty with business ability to reconcile growth and financial viability with solving environmental problems. This view is reflected by Hart and Milstein (2003) who state that:

For most firms, the pursuit of enterprise sustainability remains difficult to reconcile with the objective of increasing shareholder value. Indeed, some have even advocated that creating a more sustainable world will require firms to sacrifice profits and shareholder value in favour of the public good (pg. 57).

Alexander (2007) supports this notion stating “there is a systemic condition inherent in contemporary markets that compels managers not to pursue what they believe to be more morally preferable initiatives when those initiatives will require actions that conflict with profit maximization” (pg. 155). Hart (2005a) coined this condition the ‘Great Trade-Off Illusion’, in which firms believe that meeting societal obligations is synonymous with financial sacrifice. Simola (2007) describes Hart’s ‘Great Trade-Off Illusion’ as “beliefs that profit and sustainable development are mutually exclusive occurrences” (pg. 133).

However, Hart and Milstein (2003) identify that some firms are beginning to view sustainability as a business opportunity capable of lowering cost and risk, and increasing market share and profits, stating that, “the opportunity to create sustainable value – shareholder wealth that simultaneously drives us toward a more sustainable world – is huge” (pg. 65). Collins, Lawrence and Roper (2007) provide some rationale for the proposition that sustainability is a business opportunity when they state that the “adoption of programmes of sustainability or social responsibility today goes further than maintaining organisational legitimacy - it can in fact provide a competitive edge for those seen to adopt them” (pg. 6). Elkington and Hartigan (2008) follow the ‘sustainability as business opportunity’ argument stating:

It is clear that the world faces epochal challenges – from outright conflict, terrorism, and weapons of mass destruction; to poverty and hunger; to the threat of global pandemics and, perhaps the biggest issue of all, climate change. But, tackled in the right way, today’s crises will lead to tomorrow’s solutions, and the size of the potential market opportunities is staggering (pg. xi).

Rechelbacher (2008) reflects Elkington and Hartigan’s (2008) view stating that, “in times of crisis we may be offered the greatest opportunities” (pg. 53). Literature provides some substantiation to these claims of opportunity and the compatibility of profit and sustainability. For example, Christmann (2000) demonstrated a correlation between environmental management best practices and cost advantages for firms. López, Garcia and Rodriguez (2007), in a study of a group of 55 firms belonging to the Dow Jones Sustainability Index (DJSI) and another 55 firms to the Dow Jones Global Index (DJGI), found evidence supporting a financial performance differential favouring those firms employing sustainable practices.

It is becoming increasingly clear that profits and sustainability need not be mutually exclusive pursuits. While sustainability is often viewed as a cost of doing business, a necessity in order to maintain organisational legitimacy, there is increasing level of understanding of the tremendous opportunities that sustainability presents for business. Despite the fact that business is often labeled as the cause of many social and environmental problems, there is an increasing level of advocacy of the ability of business to contribute to sustainable development. As such, it is patent that business and

sustainable development, far from being mutually exclusive phenomena, might instead be thought of as inextricably linked.

UNIQUELY EQUIPPED

Hart's (2005a) contention that "business - more than either government or civil society - is uniquely equipped at this point in history to lead us towards a sustainable world in the years ahead" (pg. 3) raises many questions. For example: what are the characteristics that make business 'uniquely equipped' to lead us towards a sustainable world more than either government or civil society? And, what type of business exhibits these characteristics necessary to achieve such fundamental change?

Some suggestions are offered within the literature. Hart and Milstein (2003) state, "The global challenges associated with sustainability, viewed through the appropriate set of business lenses, can help identify strategies and practices that contribute to a more sustainable world and, simultaneously, drive shareholder value" (pg. 57). Alvord, Brown and Letts (2004) also identify that, "the challenges of finding effective and sustainable solutions to many social problems are substantial, and solutions may require many of the ingredients associated with successful business innovation" (pg. 260). These views suggest that business has the capacity necessary to achieve changes in desired sustainability directions, and, as identified by Karlsson (2007), holds that businesses are able to determine causal linkages and possess the necessary skills and resources to address them.

In contrast, Rainy (2006) expresses some uncertainty as to business ability to lead us towards a sustainable world describing sustainable business as an "idea" and a "dream". However, he does identify an avenue towards this sustainable world through fundamental change in the underpinning business philosophies that brought us through the twentieth century. He describes how sustainable business will require, "the transformation from the self-interested and confrontational business philosophies of the twentieth century to more inclusive, transparent, innovative, and rewarding management constructs that focus on creating value and sustaining total satisfaction for all parties" (pg. 680).

In part, this research seeks to explore what it means for business to be *uniquely equipped* to lead us towards a sustainable world in the years ahead. What transformation in business philosophies can be observed, and what is the role of innovation in this equation?

ENTREPRENEURSHIP FOR SUSTAINABLE DEVELOPMENT

Entrepreneurship is a phenomenon that on closer examination is able to reveal some answers to questions regarding the potential of business for sustainable development. Drucker (2007) alludes to such potential when he describes how entrepreneurship not only provides a potential source of competitive advantage, but also solutions to many of the difficult and complex dilemmas that we face today. In addition, Dollinger (2003) states that, “The spirit of entrepreneurship - the notion of human progress, development, achievement and change - motivates and energizes the people and organizations that improve our lives. We need entrepreneurship to reach this future” (pg. 3). The identification of entrepreneurship as a mechanism in resolving complex dilemmas, and in achieving human progress and change suggests a good deal of relevance to sustainable development, but what exactly is entrepreneurship, and what does it take to be an entrepreneur?

While a thorough examination of entrepreneurship is beyond the scope of this research, a suitable definition is required in order to provide the context in which the following discussions will take place. Elkington and Hartigan (2008) raise two important points when they state, “There is no standard-issue entrepreneur, but there is a consensus on what entrepreneurs do” (pg. 3). Defining statements of entrepreneurship and the entrepreneur are drawn from Schaper (2005). These statements are employed as they capture a number of crucial attributes, or things that entrepreneurs do, which give meaning to the phenomena. Schaper (2005) states that:

Entrepreneurship arises when enterprising individuals identify an unsolved problem, or an unmet need or want, which they then proceed to satisfy. In the process, they transform the existing status quo into a future opportunity and turn ideas into a commercial reality. Entrepreneurs seek to bring about change and new

opportunities, both for themselves and for the communities they belong to. They are often agents of what one of the early researchers in the field, Schumpeter (1934), labelled as 'creative destruction': old ways of doing things are transformed, or overtaken, when enterprising individuals wreak change in business systems. In this way, entrepreneurs often play an important role as engines of change in market-based economies, because they are responsible for introducing innovation, adaptation and new ideas (pg. 5).

These defining statements and the attributes identified will be returned to on a number of occasions as the established conceptualisations of entrepreneurship are now discussed and then as a detailed examination of social entrepreneurship is undertaken.

ESTABLISHED CONCEPTUALISATIONS OF ENTRPERENEURSHIP

While this research sets about examining the link between private sector social entrepreneurship and sustainable development, this cannot be undertaken in isolation from an examination of other established conceptualisations of entrepreneurship and the relationships that exist among them. The intention of this section is not to argue for any particular theoretical construct. Rather, it seeks to offer a way in which the established conceptualisations of entrepreneurship may be understood within the collective context of sustainable development.

Although Elkington and Hartigan (2008) assert that “there is no standard-issue entrepreneur” (pg. 3), social entrepreneurs can however be defined by what they do. Hartigan (2006) states that, “many believe that entrepreneurship is about making money – the more the better. Yet there are a growing number of entrepreneurs whose desire for money is to use it to transform society” (pg. 43). Schlange (2007) reflects these different perspectives when he identifies economically, ecologically, and socially driven entrepreneurship as established conceptualisations within the field.

In an early effort to depict the different drivers for corporate sustainability and their interrelatedness, Dyllick and Hockerts (2002) differentiate between the business, natural and societal cases for corporate sustainability correlating with the three dimensions of sustainable development found in the principle of needs discussed earlier in the section ‘Rhetorical Turbulence.’ Addressing the mutual nature inherent among the cases, they propose a set of principles to establish what is distinctive about these interrelationships (see figure 2). These principles provide a way of understanding the different cases, and how they contribute towards sustainable development.



Figure 2: Dyllick and Hockerts (2002) model of corporate sustainability

Building on the Dyllick-Hockerts model, and with a focus on entrepreneurship, Young and Tilley (2006) replace the labels of business, natural and societal case with economic, environmental and social entrepreneurship with the aim of developing a model using new organisations that exhibit “strong philosophies, economic, environmental and social” (pg. 410). In addition, Young and Tilley (2006) put forward a case for a fourth conceptualisation, highlighting ‘sustainable entrepreneurship’ as a greater entity than its elements, namely economic, environmental and social entrepreneurship. Within this new conceptualisation they propose an additional set of principles by which the “higher plane of sustainable entrepreneurship” (pg. 411) may be judged or decided (see figure 3).

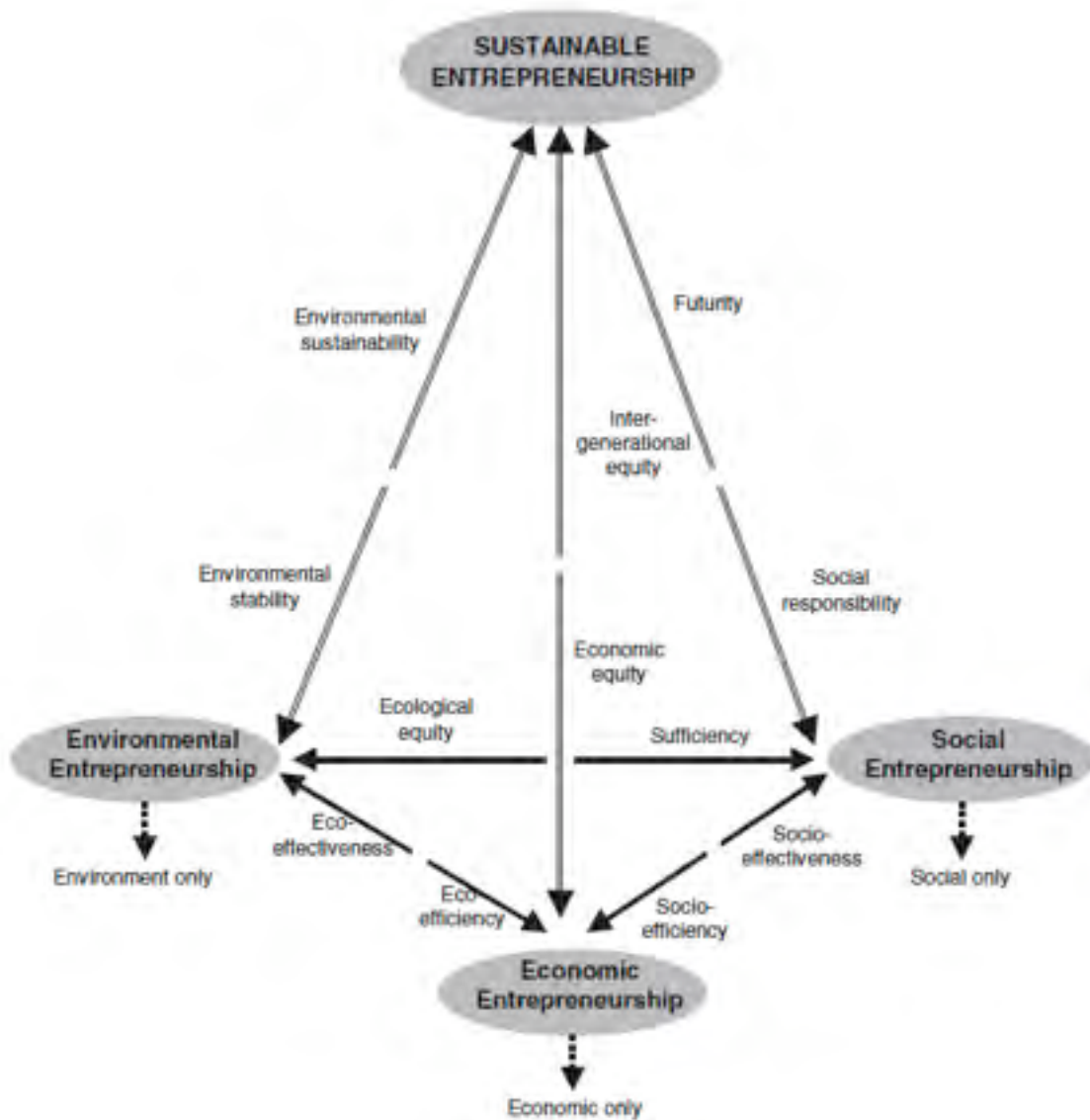


Figure 3: Young and Tilley's (2006) model of sustainable entrepreneurship.

Young and Tilley (2006) argue that this fourth conceptualisation helps address what they describe as a conflation of terms where different types of entrepreneur, regardless of environmental or social primacy, are sometimes categorised under collective terms such as social enterprise. Such conflation, Young and Tilley (2006) claim is evidence of a nonintegrated approach to sustainability. They state that, “social, environmental and economic entrepreneurs have a primacy that over-rides, and therefore potentially hinders, an organization’s path to sustainability” (pg. 411). Consequently, this failure to incorporate all the elements of sustainable development results in the “failure of

companies to move towards sustainable development, and maybe ultimately the failure of companies to achieve their core mission” (pg. 411). However, this research holds the view that the apparent conflation of terms can be attributed to a convergence of the outcomes sought by these concepts, rather than a nonintegrated approach to sustainability. For example, Schlange (2007) points out that, “the idea of ecopreneurship has strong parallels with social entrepreneurship, since environmental pollution frequently accounts for pressing social problems as well” (pg. 5). Such convergence is portrayed in Schlange’s (2007) model of sustainability driven entrepreneurship as a concept of integration.



Figure 4: Schlange's (2007) model of sustainability driven entrepreneurship as a concept of intersection.

Schlange’s (2007) model of sustainability driven entrepreneurship as a concept of intersection (see figure 4) explores the prospect of entrepreneurship as ‘sustainability driven’ at the intersection of all three approaches, a view similar to that proposed by Young and Tilley (2006). However, through a detailed investigation of the stakeholder frameworks of the three concepts, Schlange (2007) identifies that it is more likely that each type of entrepreneur has “an all-embracing point of view which integrates and augments the respective perspectives of the other concepts” (pg. 10). He describes this point of view as consistent with the integrative properties found in the concept of

sustainability and suggests that, “there is a level of holistic understanding of the entrepreneurial situation that transcends any domain-specific perspectives” (pg. 11).

Consequently, for the purpose of this research, Young and Tilley’s (2006) assertion of a ‘higher plane of sustainable entrepreneurship’ as a greater entity than its elements, is discarded in favour of Schlange’s (2007) proposition of the all-embracing point of view whereby the notion of being ‘sustainability driven’ is embodied across all three approaches. In other words, Schlange (2007) suggests that, “sustainability driven entrepreneurs view their ventures as integral parts of a larger societal context in which they are able to contribute to the improvement of life conditions in the most general sense” (pg. 11).

In regards to the issue of primacy this research holds the view that rarely will all three drivers exhibit equal capacity to shape the behaviour of the entrepreneur. One dimension, economic, social or environmental, will invariably exhibit some supremacy over the others. Given that entrepreneurship arises as a consequence of the identification of an unsolved problem, or unmet need or want, and that needs in the context of sustainable development are understood to encompass a “sound environment, a just society and a healthy economy” (Dunphy et al, 2000, pg. 25), the primacy of one driver does not imply a disregard of the others, but likely indicates the initial opportunity, problem, need or want recognised by the entrepreneur.

Thus it may be by such observable primacy in the focus of the entrepreneur that individual conceptualisations are derived. However this does not discount that these entrepreneurs often exhibit and articulate an all-embracing point of view whereby they understand their efforts as integral parts of a larger societal context. To help differentiate among them, Schlange (2007) uses the perception of opportunities and value creation as a way of describing the established conceptualisations of entrepreneurship.

ECONOMIC, ECOLOGIC AND SOCIAL OPPORTUNITIES AND VALUE CREATION

For economically driven entrepreneurship Schlange (2007) states, “An opportunity is primarily regarded as a potential to create economic value” (pg. 4). In this case, the creation of value may be manifested as sales increases or expansion of the entrepreneurs own firm or other economic interests. In addition to the creation of economic value, entrepreneurs invariably meet an unmet need or want within the market and as such are compatible in fulfilling the proscribed principle of meeting needs found in sustainable development.

By contrast, recent research into entrepreneurship has documented the rise of ‘ecopreneurship’, an approach distinguished by those entrepreneurs motivated by ecological concerns (Schlange, 2007). Specifically, for the ecopreneur, “an opportunity may be regarded as a potential to create value in the ecological sphere. For instance, this may be a regeneration of natural systems by introducing and advocating the adoption of eco-friendly ideas, products, and processes ... the primary intention is to secure the preservation, regeneration and positive development of natural systems which are an indispensable precondition for human activities” (Schlange, 2007, pg. 5). This definition clearly demonstrates the integrated nature of Schlange’s (2007) construction of entrepreneurship and highlights the interrelatedness inherent among established conceptualisations as the achievement of ecologically beneficial goals directly impinges on the social sphere. Such an all-embracing point of view is also demonstrated by Kearins, Collins and Tregidga (2008) who define ecopreneurs as, “those who start businesses expressly to have a positive environmental and social impact, as well as make a profit” (pg. 2).

Roberts and Woods (2005) state “Social entrepreneurship is a construct that bridges an important gap between business and benevolence; it is the application of entrepreneurship in the social sphere” (pg. 45). For the social entrepreneur, “an opportunity may be regarded as a potential to create value for society at large (or distinctive parts thereof). Here, the idea of value creation is partly detached from its monetary aspect. Instead, it

lies in innovative solutions to society's most pressing social problems ... the primary intention of social entrepreneurs is to create social value" (Schlange, 2007, pg. 5). As aforementioned, ecopreneurship exhibits strong parallels with social entrepreneurship as issues such as environmental pollution frequently account for pressing social problems. Additionally, Roper and Cheney (2005) state, "In its least problematic formulation, social entrepreneurship seeks to marry rational economic calculation and socially inspired vision" (pg. 102). Again the integrated nature among established conceptualisations of entrepreneurship can be observed.

Despite the appealing nature of both the social and ecological fields for research, it is the engaging focus of the social entrepreneur in developing innovative solutions to society's most pressing social problems that makes it the focus of this research.

THE PROMISE OF SOCIAL ENTREPRENEURSHIP

“You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete” (Richard Buckminster Fuller, philosopher, futurist and global thinker, 1895 - 1983).

The Challenge of Sustainable Development

Reconciling Markets and Sustainable Development

The Promise of Social Entrepreneurship

So far, a review of the literature has made it clear that the challenge presented in achieving sustainable development is immense, it has also highlighted the considerable capacity that markets, and entrepreneurs, are able to bring to any such development. Literature highlights when social entrepreneurship is added to this mix we have the potential and promise to change the world. As Hartigan (2006) argues only through “uniting the power that capital markets can bring to development with the soul of the creative, committed and ethically driven social entrepreneur can we hope to address the challenges that face the world” (pg. 45). Of note, Jeff Skoll, founder of the Skoll Foundation, captures the foundations of this research precisely when he states:

The rapid industrial and technological advancements of the last century have led to many breakthroughs, but they have also left us to confront an uncertain future. With real threats of environmental and economic collapse, terrible diseases, over-population, war, terrorism and menacing new forms of weaponry, we have much to overcome. Efforts by our governments and institutions have proven insufficient to reverse these destructive trends. Our best hope for the future of humanity lies in the power and effectiveness of socially motivated, highly empowered, individuals to fight for changes in the way we live, think, and behave (Skoll, 2006, pg. v).

It is this hope, or promise, for the future of humanity offered by social entrepreneurship in changing the ways in which we live, think, and behave that is explored and expounded in the following pages.

DEFINING OUR BEST HOPE

Like sustainable development, social entrepreneurship is a multifarious notion that is widely used but not clearly understood. Roper and Cheney (2005) suggest that, “a parallel can be drawn between the concept of social entrepreneurship and that of sustainability because sustainability is equally open to broad interpretation” (pg. 102). They state, “there is no single way to characterize socially entrepreneurial ventures” (pg. 97) and describe the phenomenon as a contested and value-laden label that can be, “used to reference a wide variety of interests, motives, activities, and outcomes” (pg. 103). In an essay on the meaning of social entrepreneurship Dees (1998) effectively portrays the diverse use and associations of the phenomenon stating:

Though the concept of ‘social entrepreneurship’ is gaining popularity, it means different things to different people. This can be confusing. Many associate social entrepreneurship exclusively with not-for-profit organizations starting for-profit or earned-income ventures. Others use it to describe anyone who starts a not-for-profit organization. Still others use it to refer to business owners who integrate social responsibility into their operations. What does ‘social entrepreneurship’ really mean? What does it take to be a social entrepreneur (pg. 1)?

Such a view is also reflected by Thompson (2002) who states that, “While the term ‘social entrepreneurship’ is being adopted and used more extensively, its meaning is not widely understood” (pg. 412). In addition, Peredo and McLean (2006) describe that despite the high prevalence of social entrepreneurship in scholarly books and articles anyone sampling the array of material “may be left wondering exactly what social entrepreneurship is” (pg. 56). In regards to research, such vagueness also creates difficulty in extending social entrepreneurship to other fields of study (Mair & Martí, 2006). Given that vagueness is an unacceptable condition for exploring how private sector social entrepreneurship plays a role in sustainable development, the commonly identified characteristics within literature that make up the phenomenon must be brought together in order to form a suitable understanding. As identified by Roberts and Woods (2005) “a definition is important as it brings meaning, draws boundaries and clarifies distinctions” (pg. 45).

By exploring the meaning of the concept in its range of contemporary use, and examining the reports and accounts of the concept within literature, those valid and logical characteristics of the concept can be identified and described. Fortunately, Massetti (2008) identifies that to date, “much research on social entrepreneurship has focused on identifying characteristics that make such individuals stand out” (pg. 1).

Following Peredo and McLean (2006), an assumption is made in this research regarding the way in which the ideas of social entrepreneurship and social enterprise are associated with one another. Social enterprises, organisations driven to fulfill a social purpose (Haugh, 2005), commonly feature within discourse on social entrepreneurship, the former typically integrated as an element of the latter (Brooks, 2009; Mort, Weerawardena & Carnegie, 2002; Thompson & Doherty, 2006; Shaw & Carter, 2007). For example, Brooks (2009) identifies social enterprise as a “step in the process of social entrepreneurship” (pg. 41) and Mort et al (2002) describe how social entrepreneurship leads to the establishment of social enterprises. Social enterprise could therefore be articulated as a product of social entrepreneurship concerned with the institutions and organisational forms created by social entrepreneurs. Thus while greater complexities and rich research opportunities between the two perspectives are acknowledged, at an intuitive level, exploring social entrepreneurship within this research will comprise a shared focus on both the entrepreneurs as well as the organisations they create.

On closer examination, social entrepreneurship is not a phenomenon that lends itself to simple definition. A review of the literature on social entrepreneurship reveals a multi-faceted phenomenon with diverse manifestations across all sectors of business. Following the body of established understanding regarding the phenomenon a number of characteristics are identified, and are used for the selection of cases for this research (See Table 1: Characteristics of social entrepreneurs). As such, social entrepreneurs can be defined as people who:

Table 1: Characteristics of social entrepreneurs.

Characteristic	Reference
1 Possess entrepreneurial characteristics, including but not limited to the recognition of opportunities, resourcefulness, and tolerance of risk.	Brooks, 2009; Dees, 1998; Peredo & McLean, 2006; Thompson, 2002; Thompson & Doherty, 2006
2 Exist within the private sector in the blurred space between traditional for-profit and not-for-profit enterprises as hybrid organisations.	Boyd, Henning, Reyna, Wang and Welch, 2009; Clark & Ucak, 2006; Dees, 1998; Demirdjian, 2007; Roper & Cheney, 2005; Thompson, 2002.
3 Seek to solve social problems or fulfill unmet social needs.	Brooks, 2009; Dees, 1998; Drayton, 2002; Massetti, 2008; Mallin & Finkle, 2007; Peredo & McLean, 2006; Thompson & Doherty, 2006.
4 Create new value.	Thompson & Doherty, 2006; Clark & Ucak, 2006.
5 Demonstrate innovative behaviour.	Dees, 1998; Thompson & Doherty, 2006; Roper & Cheney, 2005.
6 Are capable of stimulating fundamental and systemic change.	Dees, 1998; Alvord, Brown & Letts, 2004.

While innovation is frequently cited together with opportunity recognition, resourcefulness, and tolerance of risk as hallmarks of social entrepreneurship, given its significance within this research, innovative behaviour is treated to its own discussion. The characteristics outlined in the table above will now be explored and described in more detail.

ENTREPRENUERIAL CHARACTERISTICS

Not surprisingly, several characteristics of the business entrepreneur also characterise the social entrepreneur. Thompson (2002) argues that many social entrepreneurs are people with the same qualities and behaviours associated with the business entrepreneur, a view that is supported by Roberts and Woods (2005) who state that, “many of the attributes and talents of social and conventional entrepreneurs are similar” (pg. 50). Borrowing from Jones and Spicer (2005), the attributes that are of interest to this research are those

things that inhabit the space between the entrepreneur and what they seek to attain. In this section, the attributes of opportunity recognition, resourcefulness and tolerance for risk are discussed.

Opportunity recognition represents a fundamental attribute of entrepreneurship and is often seen as the first step in the process. Brooks (2009) states that, “Entrepreneurship begins with the recognition that an opportunity exists to create value” (pg. 3), specific to the social entrepreneur is social opportunity recognition towards creating social value. Thompson and Doherty (2006) describe entrepreneurship as, “a way of thinking and behaving that has opportunity as its heart. Entrepreneurs recognise, create, engage and exploit opportunities” (pg. 361). However, where business entrepreneurs see financial opportunities, social entrepreneurs see opportunities to pursue their social goals. Peredo and McLean (2006) state that, “social entrepreneurs excel at recognizing and taking advantage of opportunities to deliver, in a superior way, the social value they aim to provide” (pg. 59).

Another common attribute that emerges from the literature on social entrepreneurship is resourcefulness. Social entrepreneurs are not unsettled when confronted with difficult situations or unusual problems and are able to deploy limited resources with great efficiency and ingenuity to accomplish their goals. Dees (1998) states that:

Social entrepreneurs do not let their own limited resources keep them from pursuing their visions. They are skilled at doing more with less and at attracting resources from others. They use scarce resources efficiently, and they leverage their limited resources by drawing in partners and collaborating with others (pg. 5).

A tolerance for risk is another commonly cited attribute of the social entrepreneur. Dees (1998) states, “Entrepreneurs tend to have a high tolerance for ambiguity and learn how to manage risks for themselves and others” (pg. 5). Thompson (2002) describes the social entrepreneur as being capable of overcoming obstacles and challenges and managing inherent risk, what Peredo and McLean (2006) describe as the “capacity to endure risk” (pg. 58). Such a characteristic is important given that the conditions surrounding entrepreneurs can feature a high level of uncertainty. This tolerance for risk is also frequently alluded to within literature through reference to social entrepreneurs dogged determination to achieve their goals despite any obstacles or difficulty they may

encounter (Elkington & Hartigan, 2008).

While the social entrepreneur may share many attributes with its commercial counterpart, Roberts and Woods (2005) state that, “Where they differ is in their motivation and purpose” (pg. 50). Examination of the motivations and purposes of social entrepreneurs reveals a distinctive characteristic of social entrepreneurship, that of hybrid organisational forms.

HYBRID ORGANISATIONAL FORMS

Roper and Cheney (2005) state that, “it is both reasonable and common to identify certain ventures in the private, public, and third/independent sectors as examples of social entrepreneurship” (pg. 97). While a selection of literature has focused on the not-for-profit sector (also referred to as the voluntary or third sector) as the exclusive domain of social entrepreneurship (Shaw & Carter, 2007), a great deal of attention has also turned to the role of social entrepreneurship in the private sector (Demirdjian, 2007; Hemingway, 2005; Leadbeater, 1997). For example, Thompson (2002) states that social entrepreneurship can be found in a number of situations including “profit-seeking businesses that have some commitment to doing good and helping society and the environment with their strategies and financial donations” (pg. 413). Clark and Ucak (2006) describe that for-profit social ventures differ in many ways in the creation of social or environmental value, saying, “some deliver a socially aligned product or service, some have socially responsible employment, sourcing, operational or investment practices, some donate profits to charity, and some use a combination of these vehicles” (pg. 4).

However, anyone scanning a sample of the literature on social entrepreneurship will soon discover that it is not a sector specific phenomenon, but one that transcends boundaries and takes on many forms and functions. As Dees (1998) suitably identifies, social entrepreneurship is a phenomenon that occurs between sectors where hybrid organisations have emerged mixing not-for-profit and for-profit elements. He states that the very term ‘social entrepreneurship’ implies a “blurring of sector boundaries” (pg. 1).

Roper and Cheney (2005) also identify that a majority of examples of social entrepreneurship can be found “in the form of a hybrid between private, non-profit and public sectors” (pg. 101). Boyd, Henning, Reyna, Wang and Welch (2009) define a hybrid organisation as “a market-oriented, common-good mission-centred organization which operates in the blurred space between traditional for-profit and nonprofit enterprises” (pg. 9). Boyd et al (2009) identify that what distinguishes hybrid organisations from their not-for-profit and for-profit counterparts is their motivation “to use business and market forces as tools to solve the world’s largest challenges” (pg. 6). They identify that, “Such hybrid organizations not only blur the distinctions between the nonprofit and for-profit sectors but, through their emphasis on environmental, social, and financial value creation, they also provide another model for addressing worldwide societal problems” (Boyd et al, 2009, pg. 9). It is the proposition of another model capable of addressing worldwide societal problems that is central to the examination of the role of social entrepreneurship in sustainable development.

In order to understand the blurring of sector boundaries and to provide greater clarity around social entrepreneurship, Massetti (2008) proposes a “framework for distinguishing between entrepreneurial efforts, including socially conscious ones, and the types of businesses they create” (pg. 1). By using two intersecting continuums regarding mission driven distinctions as well as the extent to which profits are required, Massetti (2008) identifies four distinct types of organisations where social entrepreneurship is present or can arise (see figure 05). These four types of organisation are the ‘traditional business’, the ‘transient organisation’, the ‘traditional not-for-profit’, and lastly the ‘tipping point’.

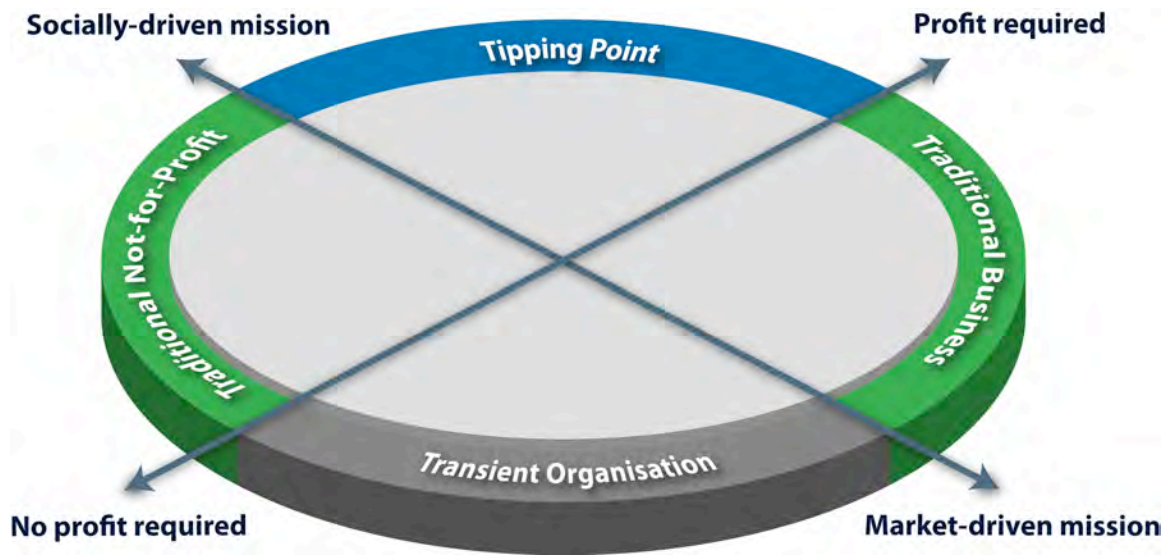


Figure 5: Social entrepreneurship matrix - Adapted from Massetti (2008).

According to Massetti (2008) the ‘Traditional Business’ quadrant “represents the most familiar, classic approach to business: those firms that primarily have a market-driven mission and are required to make profits” (pg. 5). In this instance social entrepreneurship can arise when demand within the marketplace changes. For example, “if and when the marketplace decides that a social cause is worth paying for, the social entrepreneur in this quadrant will address it by supporting activities that are useful in generating sales because they are considered socially responsible” (Massetti, 2008, pg. 5).

The ‘Transient Organisation’ quadrant “represents organizations that respond to market needs but are not driven by the need to make a profit. Hence, they may only be operational for a short period of time” (Massetti, 2008, pg. 5). Social entrepreneurship then arises whereby a need is identified in the marketplace; the proceeds from satisfying that need then go to supporting a social cause. In this case, an organisation offers a path so that participants may be able to alleviate a complex social problem.

The ‘Traditional Not-for-Profit’ quadrant “represents organizations that are driven by a social mission and do not need to make a profit” (Massetti, 2008, pg. 5). Social entrepreneurship arises when organisations provide “socially necessary work that governments and traditional businesses allow to slip through the cracks,” they are largely

dependent on “donations, grants, and member fees to support their operations” (Massetti, 2008, pg. 5).

Lastly, and of greatest interest to this research is the ‘Tipping Point’ quadrant. In this space, organisations are “not only driven by social missions, but must also make profits to survive” (Massetti, 2008). In addition to the need to make a profit to survive, Roper and Cheney (2005) identify that the private sector may also offer the social entrepreneur, “an advantage in terms of the orienting to planning, profit, and innovation - three of the goals which are discussed most frequently” (pg. 97). As the Social Entrepreneurship Matrix demonstrates, organisations within the ‘Tipping Point’ quadrant occupy the blurred space between traditional for-profit and not-for-profit organisations where they harness “business and market forces as tools to solve the world’s largest challenges” (Boyd et al, 2009, pg. 6). It is these organisations, Massetti (2008) claims that “hold the most promise for economic transformation” (pg. 6). As Boyd et al (2009) contend, it is through these organisations’ emphasis on “environmental, social, and financial value creation” (pg. 9) that they are able to “provide another model for addressing worldwide societal problems” (pg. 9). Of note, it is completely feasible to encounter organisations that may have initially started out within the traditional or not-for-profit segments, and through mission reorientation or cost recovery activities have shifted into the tipping point quadrant. For example, Hartigan (2006) identifies that while a social entrepreneur may set up a not-for-profit, this does not necessarily exclude the provision for some degree of cost-recovery through the sale of goods and services in order to maintain the transformational activities in full. In this instance, it would be quite feasible to have a not-for-profit fall within the tipping point quadrant.

While the presence of social entrepreneurship has merit across all sectors, it is the private sector, specifically those hybrid organisations within the tipping point quadrant, exhibiting an orientation toward profit as well as a socially driven mission that are of most interest to this research.

OPPORTUNITY OR TRAGEDY

An additional characteristic widely cited within literature is the focus of social entrepreneurs in addressing social problems and unmet social needs (Brooks, 2009; Drayton, 2002; Mallin & Finkle, 2007; Murphy & Coombes, 2009; Peredo & McLean, 2006, Thompson & Doherty, 2006). Brooks (2009) describes this focus as ubiquitous in the recognition of social opportunities. And while opportunity recognition is a well-researched topic within entrepreneurship literature, what sets social entrepreneurs apart is in where they see opportunity. A hallmark of social entrepreneurs is that they are able to see opportunities to create value where others may only see a threat or tragedy (Brooks, 2009). For the social entrepreneur, the recognition that an opportunity exists to create value may “take the form of an obvious or not-so-obvious social problem or an unmet social need” (Brooks, 2009, pg. 5). Similarly, Murphy and Coombes (2009) associate the opportunity recognition of social entrepreneurs with “emergent needs or long standing inefficiencies” (pg. 326).

The relationship between the social entrepreneurial function in addressing social problems and unmet social needs is discussed at length within literature. Thompson and Doherty (2006) describe social entrepreneurship as, “business solutions to social problems” (pg. 362); and Peredo and McLean (2006) state that, “social entrepreneurship is emerging as an innovative approach for dealing with complex social needs” (pg. 56). Drayton (2002) highlights issues such as, “why children are not learning, why technology is not accessed equally, why pollution is increasing, and so on” (pg. 123) as examples of problems where social entrepreneurial efforts may be spent. Given the apparent extensive nature and implications of these types of problems, it is not unreasonable to question the place of government in providing for solutions. However, as already highlighted by Skoll (2006), “efforts by our governments and institutions have proven insufficient” (pg. v). In January of 1999, Prime Minister Tony Blair acknowledged that government could not achieve its aims alone stating:

In the first half of this century we learnt that the community cannot achieve its aims without the help of government providing essential services, and a backdrop of security. In the second half of the century we learnt that government cannot achieve

its aims without the energy and commitment of others - voluntary organisations, business, and, crucially, the wider public (Blair, 1999, para. 12).

The idea that the community and government cannot achieve their aims in isolation from voluntary organisations, business, and the wider public is an important aspect to understanding the role of social entrepreneurship in sustainable development. Not surprisingly, Elkington and Hartigan (2008) identify that social entrepreneurs “seek to influence government policy, market rules, the educational system, or whatever else they think it will take to reach their objectives” (pg. 157). It is through the opportunistic and pioneering nature of social entrepreneurs and their dogged determination that future markets are mapped and opened up to the world that, for lack of these extraordinary people, would only see nightmarish problems and risk (Elkington & Hartigan, 2008, pg. 6).

THE CREATION OF NEW VALUE

Another reoccurring observation within literature in the field is that in the process of addressing social problems and unmet social needs, social entrepreneurs are able to create new value. Murphy and Coombes (2009) identify that “it is widely acknowledged that social entrepreneurship is an effective mechanism for generating value in societal, economic, and environmental forms” (pg. 325). Similarly, Thompson and Doherty (2006) take the view of social entrepreneurship as the creation of new capital, describing that this can comprise any combination of financial, social, aesthetic or environmental forms. They define their use of capital as “something of perceived benefit to individuals and communities” (pg. 361). Clark and Ucak (2006) and Dees (1998) describe social and environmental value creation as a common intent shared by social entrepreneurs, a motivation that Peredo and McLean (2006) describe as the “desire to benefit society in some way or ways” (pg. 59). Elkington and Hartigan (2008) also describe the desire to benefit society in some way as a prime motivation for social entrepreneurs who do not find any incentive in simply “doing the ‘deal’ but [in] achieving the ‘ideal’” (pg. 3). For the social entrepreneur, such an ideal may be articulated in terms of bringing about new ways of living, thinking and behaving which ultimately lead to the obsolescence of those

ways that currently exist that cause the problems or issues of concern. However, as Skoll (2006) highlights, “One of the ironies of history is that the solutions to current challenges frequently create new challenges even more menacing” (pg. v). For example, in meeting the growing demand for electricity, mankind harnessed the power of nuclear fuel. While nuclear generation avoided the environmental impacts associated with hydro and thermal (coal and gas-fired) generation it led to dangerous new challenges associated with toxic waste by-products and in some cases irreversible long-term contamination. The innovative proclivity of the social entrepreneur may not only offer new value but entirely new ways in dealing with the evolution of challenges faced by humanity.

DISRUPTIVE INNOVATORS

In regards to entrepreneurship, Thompson and Doherty (2006) state that, “Creativity and innovation are fundamental” (pg. 361); and this is no different for the social entrepreneur. Roper and Cheney (2005) describe how social entrepreneurs “recognize the importance of innovation on a continuous basis” (pg. 97). This view is supported by Dees (1998) who describes that in addition to innovation, social entrepreneurs also engage in adaptation and learning on a continuous basis. In fact, innovation is so deep-seated within social entrepreneurship that the term social innovator has even been used in place of social entrepreneur (Bornstein, 2007).

In relation to sustainable development, Hall and Vredenburg (2003) identify that, “competency enhancing incremental innovation is insufficient to meet sustainable development pressures. Instead, competency-destroying radical innovation is needed, and it will likely create new capabilities that will ultimately challenge current business practices” (pg. 62). Dunphy et al (2007) reflect this view stating that, "incremental change is not enough: transformational changes are required to achieve sustainability" (pg. 228). These views are fitting with MacNeill's (2006) assertion that in no case has progress been at the pace and scale needed to meet unsustainable trends. Placet et al (2005) also call for radical innovation as a necessary condition for, the development of novel processes that are “less disturbing to the environment,” and for the development of

“brand-new industries devoted to improving environmental and social conditions” (pg. 33).

Such competency-destroying radical innovation can be likened to Schumpeter’s process of creative destruction, a process of industrial mutation that, “incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one” (Schumpeter, 1987, pg. 83). Creative destruction is catalysed by new scientific and technological discoveries or major periods of socioeconomic change (Hart & Milstein, 1999). Schumpeter viewed entrepreneurs as a disequilibrating force able to stimulate fundamental change in society and define new frontiers of human endeavor through “the discovery of new technologies, products, markets, processes and organizational forms that create clear alternatives to existing products and practices” (Larson, 2000, pg. 306). As such, Yujico (2008) describes the focus of social entrepreneurs on improving society as a form of creative destruction. In regard to the innovative impact of social entrepreneurship, Drayton (2002) describes the ability of the wave-like motion and momentum that normally accompanies big, pattern-change innovations to stimulate years of subsequent change through adaptation and geographic dispersion. It is such a dynamic, Drayton (2002) argues, that makes social entrepreneurs vital to sectoral transformation, “both because each of their innovations agitates everyone in the sector with new ideas and opportunities and because each wave also makes standing still ever more perilous” (pg. 123).

A logical basis for understanding the need for such competency-destroying radical innovation can be found in the phenomenon known as the ‘Red Queen Effect.’ The Red Queen Effect, or Red Queen Principle as it is also known, was first introduced by evolutionary biologist Leigh Van Valen in 1973 as an explanation of how evolutionary systems must perpetually develop in order to simply maintain their fitness relative to the systems they’re co-evolving with. The term originated from the Red Queen’s race, a scene found in Lewis Carroll’s *Through the Looking-Glass* first published in 1871. In the midst of a conversation between Alice and the Red Queen, and without warning, the Red Queen grabs Alice by the hand and begins to run at breakneck pace. However, despite their running, Alice notices that the things all around them never changed their places at

all. When asked, the Red Queen explained, “Here, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere you must run at least twice as fast as that” (Carroll, 1960, pg. 345). Derfus, Maggitti and Grimm (2008) state that since Van Valen’s explication, “theorists have used the notion of the Red Queen to explain behaviour in a variety of settings ranging from biology to military arms races” (pg. 61). As a way of examining the fitness among co-evolving systems over time and the rate of change, the Red Queen Effect holds relevance for the process of sustainable development.

In the context of sustainable development, the Red Queen Effect helps to explain why competency enhancing incremental innovation may be insufficient to meet sustainable development pressures. Viewed as a competition between co-evolving systems over time, any observable improvements must at least match any continued rate of deterioration in human and natural systems to simply maintain the status quo. If improvement does not account for this rate of decline then no net improvement occurs and all that is achieved is in making a destructive system less destructive. Any real improvement to the existing status quo depends entirely on that improvement exceeding the continued unsustainable trends as identified by MacNeill (2006).

CHANGE AGENTS

A review of the literature reveals a great deal of hope of social entrepreneurship in bringing about change, and it is this promise for change that is significant in addressing the constellation of challenges and crises of sustainable development. In 1972, the *Stockholm Declaration* called for “fuller knowledge and wiser action” (pg. 1) in addressing issues of the human environment. While we face many enduring as well as emerging challenges within human and natural systems, the need for fuller knowledge and wiser action remains especially pertinent today, what Skoll (2006) describes as the need for “changes in the way we live, think, and behave” (pg. v).

Authors draw attention to this potential of social entrepreneurship in achieving change with no less striking or powerful rhetoric than a presidential inauguration speech might.

For example, Hartigan (2006) states that, “Only by uniting the power that capital markets can bring to development with the soul of the creative, committed and ethically driven social entrepreneur can we hope to address the challenges that face the world” (pg. 45). Similarly, Roberts and Woods (2005) describe how social entrepreneurs are able to blend “conventionally paradoxical concepts to create a cause that powerfully drives social change” (pg. 45). Elkington and Hartigan (2008) describe social entrepreneurs as *unreasonable people* following the famous playwright Bernard Shaw who once said that, “The reasonable man adapts himself to the world, the unreasonable one persists in trying to adapt the world to himself. Therefore all progress depends on the unreasonable man” (Elkington et al, 2008, pg. xi). In fact, they argue that much of the future may depend on social entrepreneurs’ ability in, “spreading their apparently unhinged ideas and business models” (Elkington et al, 2008, pg. xi).

Building on the promise for change, Dees (1998) captures an important outcome of social entrepreneurship when he describes that they are able to achieve “fundamental changes” (pg. 4) in the way or manner in which things are done. Fundamental change suggests that social entrepreneurs have the power or ability to change the rules or principles within their chosen arena upon which all activity is based. As previously identified by Elkington and Hartigan (2008) this could comprise influencing “government policy, market rules, the educational system, or whatever else they think it will take to reach their objectives” (pg. 157). Dees (1998) also highlights the potential global impact of social entrepreneurship stating, “Though they may act locally, their actions have the potential to stimulate global improvements in their chosen arenas, whether that is education, health care, economic development, the environment, the arts, or any other social field” (pg. 4). Fundamental change is an important component of social entrepreneurship as Alvord et al (2004) state, “solutions to social problems - such as sustainable alleviation of the constellation of problems associated with long-term poverty - often demand fundamental transformations in political, economic, and social systems” (pg. 260). Drayton (2002) provides the perspective that social entrepreneurs “recognize when a part of society is stuck and provide new ways to get it unstuck” (pg. 123). He describes social entrepreneurship in terms of powerful, new, system change ideas, creativity, and

widespread impact.

Literature also identifies that such fundamental change is grounded in new ways of thinking and reasoning. Senge (2008) states that, “just as our way of thinking got us into the situation we are in today, so, too, will our thinking – differently – help us find our way out” (pg. 41). From Elkington and Hartigan’s (2008) analogy of social entrepreneurs as *unreasonable people* they describe that, “being unreasonable is not just a state of mind. It is also a process by which older, outdated forms of reasoning are jettisoned and new ones conceived and evolved” (pg. 1). Additionally, change is achieved by addressing the root cause of problems. Drayton (2002) describes that many leading social and, to a degree, environmental entrepreneurs “seek to change the system, tackling social, environmental, and governance challenges at the source” (pg. 157). Using a sports analogy to describe this behaviour he states that, “some people may choose to change the disposition of players on the pitch or to redesign the playing field, but a few rare individuals work to change the rules of the game – or even the game itself” (pg. 157).

While literature acknowledges the ability of social entrepreneurship in achieving fundamental change, it also identifies that this doesn’t necessarily happen all at once. For example, Alvord et al (2004) identify a potential space between the actions of social entrepreneurs and the realisation of the full impact of those actions when they state, “Social entrepreneurship can produce small changes in the short term that reverberate through existing systems to catalyze large changes in the longer term” (pg. 262). These views are all consistent with Schumpeter’s *creative destruction*, the disequilibrating force of entrepreneurs who are able to stimulate fundamental change in society (Larson, 2000).

Additional perspectives on the change that social entrepreneurs are able to achieve demonstrate a more express association to the challenge of sustainable development. Mair and Martí (2006) describe that by creatively combining resources social entrepreneurs are able to address social problems and alter existing social structures. Alvord et al (2004) also identify that while the “the test of business entrepreneurship is the creation of a viable and growing business organization. The test of social

entrepreneurship, in contrast, is change in social systems that create and maintain the problem” (pg. 260). By altering social structures and systems, or social organisation as the Brundtland report refers, the form of limitations imposed on the environment’s ability to meet present and future needs can be changed, a fundamental principle of sustainable development.

Literature exhorts and extols the great potential of social entrepreneurship in addressing the challenges and crises that face the world, and in achieving progress and change towards a viable future. In sum, Trexler (2008) states that, “Social entrepreneurs strive to promote a more sustainable environment, a sustainable social order, sustainable nonprofit or for-profit enterprises” (pg. 65).

SUMMARY

This research sets about examining what the link is between private sector social entrepreneurship and sustainable development in New Zealand as well as what is distinctive in how the former contributes to the latter. Current literature suggests that the two phenomena are strongly linked. Sustainable development sets out the challenge of meeting the needs of the present without compromising the ability of future generations in meeting their own needs. As discussed, this challenge is immense and concern has been expressed regarding the insufficient pace and scale of recent efforts to address it. Furthermore there are those who assert that our continued efforts and ability to respond in the future may be completely inadequate in meeting sustainable development pressures. While business has been labeled as the cause of many of the problems the world presently faces, it has been shown that business has great potential to address these very problems. Of note is entrepreneurship that is able to transform and overtake old ways of doing things by wreaking change in business systems and by acting as engines of change in market-based economies (Schaper, 2005).

In the private sector, social entrepreneurs occupy a space that Massetti (2008) describes as the *tipping point* for economic change where they, “hold the most promise for

economic transformation” (pg. 6). This research suggests that in this space, social entrepreneurs assume the role of change agents, and that by deploying commercial ventures in response to recognised social problems and unmet social needs, they are able to create new value, and through innovation and creativity are able to address the most pressing market failures of our time (Elkington and Hartigan, 2008), thereby driving fundamental change in their chosen arena (Roberts and Woods, 2005). In this way social entrepreneurs are able to meet the needs of the present and through innovation and change ensure that the ability of future generations in meeting their own needs is not limited. In sum, Hartigan (2006) contends that, “Only by uniting the power that capital markets can bring to development with the soul of the creative, committed and ethically driven social entrepreneur can we hope to address the challenges that face the world” (pg. 45).

While current literature provides a variety of rich descriptions of the challenge presented by sustainable development as well as the promise of social entrepreneurship, in most instances, readers are left to draw their own connections and inferences between the two phenomena. As has been demonstrated, the two phenomena hold much in common, however there are matters that the literature does not address sufficiently to complete or build our understanding of how private sector social entrepreneurship contributes to sustainable development and what potential it may hold for the future. These matters form the basis for a selection of related questions that are grouped into the following three thematic areas: conceptualisations of sustainable development, motivations and business, and change agents (See Table 2: Research questions).

Table 2: Research questions

Conceptualisations of Sustainable Development

Questions	<ol style="list-style-type: none"> 1. <i>How do social entrepreneurs in New Zealand understand the concept of sustainable development? (For example, do they perceive any relevance between the concept and their activities? Do they believe enough is currently being done to achieve sustainability? And, whom do they consider holds responsibility in working towards achieving sustainability?)</i> 2. <i>What kinds of change do these social entrepreneurs seek to achieve and are these changes consistent with the Brundtland principles of sustainable development, e.g. in meeting the needs of the present as well as preserving the ability of future generations in meeting their own needs?</i>
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Motivations and Business

Questions	<ol style="list-style-type: none"> 3. <i>What motivates these social entrepreneurs and how do they articulate the ‘ideal outcome’ of their efforts?</i> 4. <i>What advantages does business provide for these social entrepreneurs as opposed to other models such as government or not-for-profits?</i>
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Change Agents

Questions	<ol style="list-style-type: none"> 5. <i>How do these social entrepreneurs perceive the need for changes in the ways we live, think, and behave, and what ability do they believe they hold in achieving such change?</i> 6. <i>What innovations, strategies and techniques do they deploy in order to achieve change?</i> 7. <i>How do these social entrepreneurs measure, capture, or understand the impact of their efforts? (For example, what value do they create and what difference do they believe they’ve made since the start?)</i>
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These questions guide the continued exploration of the focus of inquiry within this research investigation. It is hoped that through the examination of these matters additional understanding may be contributed to the body of knowledge in the fields. As stated by Massetti (2008), “social entrepreneurship, as an approach to business, has not yet had the impact on society in general that it has the potential to do” (pg. 6). Understanding such potential is surely partial to any further research in the field. In the next chapter, the qualitative methods used in the exploration and examination of these questions is expounded.

CHAPTER III: METHODS

Given the limited explicit understanding within literature that bridges the space between social entrepreneurship and sustainable development, a multiple case study approach to theory building has been employed to explore the research question, how does private sector social entrepreneurship play a role in sustainable development in New Zealand? As identified by Eisenhardt and Graebner (2007), such an approach “typically answers research questions that address ‘how’ and ‘why’ in unexplored research areas particularly well” (pg. 26). Furthermore, given the exploratory stage of theory building it is not only important to understand the phenomenon, but also the context that surrounds the phenomenon (Maykut & Morehouse, 1994). Thus, a case study approach has been used to cover contextual conditions with a view that they are potentially significant to understanding the phenomena being studied (Yin, 2003).

As previously outlined, current literature is able to broadly demonstrate an association between social entrepreneurship and sustainable development. However there are matters that the literature does not address sufficiently, thus giving rise to new questions regarding the role of private sector social entrepreneurship in sustainable development (See Table 2: Research questions).

MULTIPLE CASE STUDY APPROACH

The case study is ideally suited as an approach to exploring the role of private sector social entrepreneurship in the process of sustainable development in New Zealand. Eisenhardt and Graebner (2007) provide a simple portrayal of case studies as, “rich, empirical descriptions of particular instances of a phenomenon” (pg. 25). As a method, the case study approach may be easily applied to a variety of research situations and has been used to contribute to knowledge of phenomena, from individual to group, organisational, political and related phenomena (Yin, 2003). The research strategy, or research design, is the “logical sequence that connects the empirical data to a study’s

initial research questions and, ultimately, to its conclusions” (Yin, 2003, pg. 20). The case study, as a comprehensive research strategy provides for such a logical sequence, “covering logic of design, data collection techniques, and specific approaches to data analysis” (Yin, 2003, pg. 14).

Eisenhardt and Graebner (2007) state that, “Theory building from case studies is an increasingly popular and relevant research strategy that forms the basis of a disproportionately large number of influential studies” (pg. 30). In discussions on the merits of single case and multiple case study designs, Eisenhardt and Graebner (2007) describe that while a single case study is able to provide for the rich description of the existence of a phenomenon, multiple case studies generally yield a stronger basis for theory building. The increased robustness, generalisability, and testability of a multiple case study approach; when, compared to the single case study approach, gives provision for comparisons which may then “clarify whether an emergent finding is simply idiosyncratic to a single case or consistently replicated by several cases” (Eisenhardt & Graebner, 2007, pg. 27).

As identified, this research used a linear-analytic, or classical, multiple case study approach to theory building (Yin, 2003). The focus on the exploratory stage of theory building refers to the aim of attempting to reveal what is distinctive about the phenomena under investigation rather than scientifically testing relationships among variables. As already pointed out, the case study investigates a contemporary phenomenon within its real-life context, therefore it is necessary to investigate the phenomenon within its natural setting, including the surrounding circumstances, conditions and factors that contribute to its occurrence rather than attempt to examine its parts in isolation. Such a focus becomes particularly useful when little is currently known about the situation at hand, and when the researcher intends to explore the situational factors of some phenomenon to understand its characteristics (Cavana, Delahaye & Sekaran, 2003).

Remaining open to the possibility of new situations, information and leads, and maintaining the flexibility to pursue them, provides the researcher with a greater chance of understanding and describing the phenomena of interest. Merriam (1998) asserts that,

“Being open to any possibility can lead to serendipitous discoveries” (pg. 121). As such, this investigation has assumed an emergent view to the research design rather than one that is tightly prefigured.

THEORETICAL SAMPLING OF CASES

Eisenhardt and Graebner (2007) describe theoretical sampling as the most appropriate method for the selection of cases from the population of interest, as opposed to random or stratified sampling, based on the fact that they will be “particularly suitable for illuminating and extending relationships and logic among constructs” (pg. 27). As it has been the intention of this research to develop understanding and theory around the relationships that exist between private sector social entrepreneurship and sustainable development rather than test any existing propositions, theoretical sampling was most suitable. Cavana et al (2001) define this approach as ‘purposive sampling’ whereby “the required information is gathered from special or specific target groups of people on some rational basis” (pg. 460). Eisenhardt and Graebner (2007) describe this ‘rational basis’ in terms of cases that will be able to offer theoretical insight into the focus of enquiry. They also identify that cases can be selected to reveal unusual phenomena, to replicate the findings of other case studies, to provide contrasting cases, to eliminate alternative explanations, and to elaborate on emergent theory.

Accordingly, cases have been sampled on the basis that they were particularly suitable for explaining and expounding the relationships that exist between private sector social entrepreneurship and sustainable development, in the hope that this sampling will lead to what Eisenhardt and Graebner (2007) describe as “very clear pattern recognition of the central constructs, relationships, and logic of the focal phenomenon” (pg. 27). The criteria for the selection of participants were based on those outward, or easily observable, characteristics of private sector social entrepreneurship identified earlier through the review of literature regarding the phenomenon. In addition to the selection of cases based on these social entrepreneurship criteria, cases are also selected within different industries aligning with best practice concerning theoretical spread (Eisenhardt & Graebner, 2007; Yin, 2003). To reiterate, social entrepreneurs are people who:

Characteristic	Reference
1 Possess entrepreneurial characteristics, including but not limited to the recognition of opportunities, resourcefulness, and tolerance of risk.	Brooks, 2009; Dees, 1998; Peredo & McLean, 2006; Thompson, 2002; Thompson & Doherty, 2006
2 Exist within the private sector in the blurred space between traditional for-profit and not-for-profit enterprises as hybrid organisations.	Boyd, Henning, Reyna, Wang and Welch, 2009; Clark & Ucak, 2006; Dees, 1998; Demirdjian, 2007; Roper & Cheney, 2005; Thompson, 2002.
3 Seek to solve social problems or fulfill unmet social needs.	Brooks, 2009; Dees, 1998; Drayton, 2002; Massetti, 2008; Mallin & Finkle, 2007; Peredo & McLean, 2006; Thompson & Doherty, 2006.
4 Create new value.	Thompson & Doherty, 2006; Clark & Ucak, 2006.
5 Demonstrate innovative behaviour.	Dees, 1998; Thompson & Doherty, 2006; Roper & Cheney, 2005.
6 Are capable of stimulating fundamental and systemic change.	Dees, 1998; Alvord, Brown & Letts, 2004.

Additional criteria for the selection of participants included:

1. Small to medium enterprise size and;
2. Founder-owner involvement and influence.

As identified earlier, the New Zealand business environment is characterised by the prevalence of small to medium enterprises (SMEs). The Ministry of Economic Development defines SMEs as enterprises with 19 or fewer employees; in 2008 they made up 97% of the total population of New Zealand enterprises, accounted for 30% of all employees, and contributed 40% of the New Zealand economy's total output (Ministry of Economic Development, 2009). Given that SMEs are the dominant enterprise form and represent a considerable contribution to the New Zealand economy's total output, participants were selected from the SME population for this research investigation.

Additionally, this research holds the view that the social entrepreneur, or founder-owner, is inseparable from the behaviours and actions they exhibit that collectively comprise social entrepreneurship (see page 37). Consequently, they are most appropriate for expounding the matters identified for investigation i.e. understanding changes they seek to achieve, the innovations, strategies and techniques deployed to achieve these, and if these changes are consistent with meeting the needs of present and future generations.

As a result, following a general assessment of the New Zealand business environment including online social networks such as Social Innovation Camp NZ, the following entrepreneurs were invited to participate in this research investigation (See Table 3: Research participants).

Table 3: Research participants

1.		<p>Matt Lamason. Peoples Coffee Limited. www.peoplescoffee.co.nz</p>	<p>Interviewed 31st July 2009</p>
2.		<p>Grant Hall. The Good Water Company Limited. www.goodwater.org.nz</p>	<p>Interviewed 12th August 2009</p>
3.		<p>Qiuqing Wong. Borderless Productions Limited. www.borderlessproductions.com</p>	<p>Interviewed 29th August 2009</p>

SOURCES OF CASE STUDY DATA

This research has utilised several sources of data including interviews, documentation, and other secondary sources. Eisenhardt and Graebner (2007) state that “Case studies can accommodate a rich variety of data sources, including interviews, archival data, survey data, ethnographies, and observations” (pg. 28). Gillham (2000) supports this view describing documents, records, interviews, ‘detached’ observation, participant

observation, and physical artifacts as sources of evidence to the case study researcher.

However, Eisenhardt and Graebner (2007) point out that as research “moves away from everyday phenomena such as work practices to intermittent and strategic phenomena...interviews often become the primary data source” (pg. 2). Sensitivity to underlying meaning has been a crucial attribute for data collection within this research investigation and therefore accounts for the primacy of the interview as a data collection mechanism for gaining insight and understanding into the phenomena of interest (Merriam, 1998). Cavana et al (2003) state, “Only a human can be responsive, adaptable and holistic so as to explore the atypical or idiosyncratic responses that surface during an interaction with a respondent” (pg. 135). This responsiveness and adaptability enables the researcher “to understand the ‘web of meaning’ the respondent attributes to the phenomena under investigation” (pg. 135). Consequently, the primary data collection method used in this study was semi-structured in depth interviews with organisational founders-owners (see Appendix One – Interview schedule).

In most cases, interview data was collected in the participants’ natural work setting, Maykut and Morehouse (1994) describe that meaning is tied to context and “the natural setting is the place where the researcher is most likely to discover, or uncover, what is to be known about the phenomenon of interest” (pg. 45). Interviews are also recorded with the consent of the participant for subsequent transcription and analysis. Given the demanding schedules of founders-owners, interviews varied in length. However, sufficient time was spent with each in order for rapport and trust to be developed (Maykut & Morehouse, 1994). This was especially important given “socialisation and natural resistance mean that people tend not to disclose information, particularly to a stranger” (Cavana et al, 2003, pg. 138).

Secondary sources were also sought in the construction of the case studies in order to contextualise the unique stories and circumstances surrounding each entrepreneurial situation. For example, products produced by each of the participants were obtained and used, industry backgrounds examined, market and business intelligence reports analysed, company websites and documents explored, and commentary and stories within the news

media examined.

ETHICAL CONSIDERATIONS

As this study conducts research involving human participants, all data gathered from participants was undertaken with the approval of the Waikato Management School Ethics Committee. Flick (2006) states “principles of research ethics ask that researchers avoid harming participants involved in the process by respecting and taking into account their needs and interests” (pg. 45). In accordance with Waikato Management School guidelines measures were taken to ensure that the needs and interests of participants were respected and taken into account throughout the study. Participants were advised of the intentions of the research such as the required time commitment, intended outcomes, and the right to discontinue participation at any stage (see Appendix Two – Letter of invitation, and Appendix Three – Participant information sheet).

TRANSCRIPTION AND SEMANTICS

Kvale (2007) highlights the linguistic dissimilarity between oral conversation and written texts describing transcription as “a translation from one narrative mode – oral discourse – into another narrative mode – written discourse” (pg. 93). The process of translating from oral to written discourse is necessary in that it, “structures the interview conversations in a form amenable to closer analysis” (pg. 94). Therefore, the methods of translation, or transcription conventions used are largely dependent on the objectives of the research being undertaken and the intended use of the transcript (Arksey & Knight, 1999; Kvale, 2007). For example, transcription styles differ notably between verbatim descriptions and those engaging greater literary styles. Kvale (2007) highlights how verbatim descriptions are characterised by the inclusion of apparent speech irregularities such as pauses and repetitions often necessary for detailed linguistic conversational analyses. Alternatively, Kvale (2007) identifies that by transforming interviews into a literary style it “may highlight nuances of a statement and facilitate communication of the meaning of the subject’s stories to readers” (pg. 98).

Following Arksey and Knight (1999), the ideas, logic, beliefs and understanding of subjects have been of interest to this study rather than any detailed linguistic conversational analysis. As such, following the initial verbatim transcription of each interview, speech disfluencies were subsequently edited from transcripts including repetitions, corrections, false starts, editing terms, filled pauses, verbal tics, interjections and discourse markers.

DATA ANALYSIS

This research utilised thematic analysis to make sense of the case study data. Yin (2003) states that, “the analysis of case study evidence is one of the least developed and most difficult aspects of doing case studies” (pg. 109). This difficulty is emphasised by Marshall and Rossman (2006) who state, “The process of bringing order, structure, and interpretation to a mass of collected [qualitative] data is messy, ambiguous, time-consuming, creative, and fascinating. It does not proceed in a linear fashion; it is not neat” (pg. 154). Furthermore Creswell (2003) states:

Qualitative research is fundamentally interpretive. This means that the researcher makes an interpretation of the data. This includes developing a description of an individual or setting, analyzing data for themes or categories, and finally making an interpretation or drawing conclusions about its meaning personally and theoretically, stating the lessons learned, and offering further questions to be asked. (pg. 182)

The analysis of qualitative data can take many forms but is fundamentally a nonmathematical analytical procedure whereby peoples’ words and actions are examined, or culled, for meaning (themes, patterns, and relationships). Key words and concepts drawn from the review of literature, as well as those raised by the principal and related research questions, formed the basis for the thematic analysis of interviews and secondary resources (see Appendix Four – Thematic analysis sample). Following Eisenhardt and Graebner (2007), data was then grouped according to the following areas of thematic significance: conceptualisations of sustainable development, motivations and business, and affecting change. In this way data was sorted for clarity and understanding in addressing the research questions throughout the case studies (Maykut & Morehouse,

1994).

A cross-case analysis following this thematic basis, was then undertaken to present the findings and propositions regarding the primary and subordinate research questions. Hence, the overarching organising frame of this research is the development of theory that is supported and demonstrated by evidence within and across the individual cases. The depth and detail of empirical grounding, or the degree to which evidence emerges, is supported through the use of tables to abridge the cross case findings for each theoretical construct and complement the rich narrative presentation.

PRESENTATION OF FINDINGS

The final stage of the research strategy encompassed the presentation of findings. Yin (2003) states, “Reporting a case study [or studies] means bringing its results and findings to closure” (pg. 141). Literature on qualitative research highlights the case study as a useful mechanism for the presentation of findings. For example, Maykut and Morehouse (1994) state that, “the results of a qualitative research study are most effectively presented within a rich narrative, sometimes referred to as a case study” (pg. 47). Creswell (2003) states “the more complex, interactive, and encompassing the narrative, the better the qualitative study” (pg. 182). In regard to the presentation of findings within this thesis, each of the case studies was presented individually, structured according to the areas of thematic significance that formed the basis for the analysis of data. The cases have then been followed by a section presenting a cross-case analysis, which highlights the findings of this research, supported by evidence from both the literature review and case study material.

LIMITATIONS

As Marshall and Rossman (2006) point out, all research is subject to varying forms of limitations. Such a view is reflected by Patton (2002) who asserts, “There are no perfect research designs. There are always trade-offs” (pg. 223) particularly between the breadth

and depth of inquiry, of which this study favours depth.

As already discussed, there are many advantages afforded to the researcher who engages a multiple case study research design. However, on the same note there are drawbacks. The key trade-offs, or drawbacks in this particular research investigation could be found in researcher and participant ideologies and cultural biases, the volume of data retrieved and analysed, and the ability to generalise the findings of this research to wider populations.

Marshall and Rossman (2006) identify how researcher and participant ideologies and cultural biases have the potential to cause distortions in the collection and analysis of qualitative data. While steps were taken to limit the impact of any such influences at the data collection and analysis stages (see *Provisions for Trustworthiness*), it is entirely possible that data may contain a level of distortion from reality.

The volume of data retrieved also presents a limitation of case study research (Hodkinson & Hodkinson, 2001). With over thirty thousand words of transcribed interview data analysed it is possible that revisiting the data, or undertaking an entirely new analysis of the data may reveal new points of interest and themes not previously revealed or discussed in this thesis.

While a multiple case study approach is able to provide for replication logic, or, the ability to “clarify whether an emergent finding is simply idiosyncratic to a single case or consistently replicated by several cases” (Eisenhardt & Graebner, 2007, pg. 27), replication logic does not establish conclusiveness. More specifically, there was a limited ability to generalise or transfer the findings from the three individual cases exhibited in this research to the wider social entrepreneurship population (Marshall & Rossman, 2006). As such, while this research was able to contribute rich understanding and detail regarding the focus of inquiry, this lay within the boundaries of the three cases examined and explored.

PROVISIONS FOR TRUSTWORTHINESS

As already alluded to under the section *sources of case study data*, “qualitative research is open to criticism for being subjective and biased. It’s advantage, however, is the ability to amass rich and highly useful data” (Cavana et al, 2003, pg. 135). There are a number of different methods to improve the overall trustworthiness of qualitative research, as outlined by Cavana et al (2003) and Maykut and Morehouse (1994) the following four provisions for trustworthiness were used to increase the level of confidence in the outcomes of this study.

- (1) As mentioned earlier, triangulation was employed by collecting data through various methods and from various sources providing greater ability to compare data for consistency.
- (2) Corroboration between the researcher and participants was also used to cross-check the meaning of data. While such cross-checking occurred during the data collection process, subjects were also asked for comments on the interpretations that were made by the researcher in subsequent data analysis. Participants were provided with full draft copies of each case study produced in order to provide feedback and any clarifications, improving the accuracy, fairness and representation of the case studies.
- (3) Audit trails were kept to provide clear and detailed information about why certain decisions were made at every step of the research process. Understanding why decisions were made improved the transparency of the investigation and instilled greater credibility to the outcomes of the study.
- (4) An important aspect to increase the trustworthiness of the research was to maintain an openness, or tolerance for contrary findings (Yin, 2003). This was achieved through researcher convergence. Comparable to the quantitative instrumentation test of convergent validity, rather than testing the correlation between two instruments tapping the same constructs, it was the human-as-instrument interpretation that was tested for consistency. Researcher convergence was attained whereby a selection of the data retrieved was reviewed and

interpreted by research supervisors. These interpretations were then compared to those of the researcher to test for consistency and to offer any contrary explanations.

Additionally, this section provides for the opportunity to present any biases the researcher may, or may not have. In this instance the researcher acknowledges a preconception favouring sustainable development and the desire to support and encourage its widespread uptake. In acknowledging and understanding this bias however, the researcher is better placed to manage any undue influences that may arise.

The next chapter details the unique cases of Peoples Coffee Limited, The Good Water Company Limited, and Borderless Productions Limited.

CHAPTER IV: CASE STUDIES

Three businesses participated through founder-owner involvement in this research investigation into the role of private sector social entrepreneurship in sustainable development in New Zealand. The stories and accounts of each participant are presented as unique case studies within this chapter with cross case analyses and comparisons presented in the following chapter.

Each case is presented as a unique narrative¹, beginning with a short background on the business and the outward characteristics that made them attractive as participants in this research investigation. Discussions then move to thematic areas of interest to this study, where participants' understanding of the concept of sustainable development is discussed including relevance to participants own businesses and activities, and responsibilities in addressing the challenge of sustainable development. Participants' motivations and businesses are then discussed, including the hypothetical ideal outcomes that participants hold in their efforts as well as what they believe is favourable about using business in the pursuit of change. And, lastly, the understanding participants hold in relation to value creation, innovation, and change is discussed including participants' understanding of the value they are able to create, the difference they've been able to achieve, how they see themselves in terms of doing things differently to others in the industry, and the beliefs they hold in regard to achieving changes in the ways we live, think, and behave. Each case then concludes with a summary of key features.

¹ Following the conventions for case writing, the following narratives are written from a 'past tense' perspective, with the exception of direct quotations from participants.

AMBASSADOR FOR THE PEOPLE

A CASE STUDY OF PEOPLES COFFEE LIMITED



“No shift in the way we think or act can be more critical than this: we must put people at the centre of everything we do”

Kofi A. Annan, Secretary-General of the United Nations, 2000

IT’S ABOUT PEOPLE

In 2009, Matt Lamason² the founder and Managing Director of Wellington-based Peoples Coffee Limited sat in his office and pondered what it was that made Peoples Coffee distinctive from their competitors and what it meant to be in the business of Fairtrade coffee. Matt presented himself the question, “What is it really about our core DNA that actually means I’m still interested in doing what I’m doing?” For Matt the answer was relatively simple, it was about the people and the relationships that Peoples Coffee held with its suppliers; the men and women who cultivate, harvest, and process coffee cherries to produce the green coffee beans that are then exported around the globe; men and woman who often go unseen, unheard, and unrewarded. For Peoples Coffee, the challenge was to become an even more people-focused company, a fitting challenge that

² The time and effort contributed by Matt Lamason in the development of this case study is gratefully acknowledged. Unless otherwise noted, all quotations in this case study are from Matt Lamason directly.

captured the core raison d'être of the business and people involved. This study examines the unique case of Peoples Coffee Limited.

COFFEE THAT CHANGES THE WORLD

Born out of a passion for social justice and the desire to change the world through Fair Trade, Matt Lamason founded Peoples Coffee Limited in 2004 in Newtown, Wellington. “I started off very small and idealistic, and we wanted to change the world through Fair Trade. That was the only gain in my head.” Peoples Coffee identify that, “First and foremost, we love coffee. We're dedicated to bringing you the best cup of coffee around, and that's the kind that makes a difference in the world. That means we only roast certified Fairtrade³ beans” (Peoples Coffee Limited, 2009c, para. 1).

In 2004, working closely with Trade Aid, Peoples Coffee were the first coffee roaster in New Zealand to commit to one hundred percent certified Fairtrade coffee beans, an unprecedented move within the New Zealand coffee industry at the time. This presented an element of risk for Peoples Coffee, as Matt described “when we started, in New Zealand, Fair Trade wasn't something that people were willing to bet anything on” and it was “not a tried and true formula that Fair Trade was big here.” By intentionally limiting the choices they had in sourcing beans they intentionally handicapped themselves in a very competitive market. The commitment to Fairtrade excluded the possibility of using other non-certified high grade beans such as Kenyan AA and other Brazilian offerings that Matt described commonly feature “in many espresso blends and actually are some of the top espresso blend components.” However, Fair Trade was non-negotiable for Peoples Coffee. While supply of certified Fairtrade coffee was initially short with only four single origins available for Peoples Coffee to make an espresso blend with, such as their Don Wilfredo espresso blend pictured overleaf, it was what they were all about and so they made do with what they could source. In addition to the roastery, Peoples Coffee

³ Disambiguation: The use of the compound word 'Fairtrade' in this case study relates specifically to the certification scheme and products of 'Fairtrade Labelling Organizations International (FLO),' the international standards and certification body for Fairtrade products. Elsewhere, 'Fair Trade' is used to capture the broader Fair Trade concept inclusive of global and national standards and certification bodies.

opened an espresso bar on nearby Constable Street in Newtown marking their entrance to both the retail and wholesale markets, selling directly to the public through their website and espresso bar as well as supplying other commercial end-users.



Figure 6: Don Wilfredo – Peoples Coffee is passionate about the growers they buy from, so much so that many are reflected in the namesake of their products. Pictured above are freshly roasted Don Wilfredo Espresso Beans from the Newtown Roastery, Don Wilfredo is the President of a local coffee cooperative in the northern region of Matagalpa, Nicaragua (Peoples Coffee). Photo: Daniel Houppermans.

Since 2004, this privately held business has grown to employ fourteen full and part-time employees. Increasing demand necessitated Peoples Coffee expand their original roasting facility to a larger adjacent premise in Newtown and install a higher capacity Probat gas fired drum roaster to meet increasing demand. In addition to their original and popular Constable Street haunt, they opened a second espresso bar on Garrett Street just off Cuba Mall, both of which serve a steady stream of coffee and Fair Trade aficionados daily. As a member of the New Zealand Coffee Roasters Association (NZCRA), Peoples Coffee is among eight NZCRA member roasters within the Wellington region including industry heavyweights Caffe L'affare, Coffee Supreme, Havana Coffee Works, and Mojo Coffee. An assessment of the product offerings and business philosophies of these competing

participants through their websites revealed partial to no commitment to Fairtrade. In some cases substitution for parallel initiatives such as ‘relationship coffee’, a much less rigorous model to Fairtrade in terms of detail, scope and criteria, could be found.

More recently Peoples Coffee featured at position 48 in the Deloitte/*Unlimited* Fast 50 Index in 2008, exhibiting an average revenue growth of 152.20% in the three-year period from 2006 to 2008. However, the success of the business is far from Matt’s mind; it has always been and always will be about the people. The importance of people and relationships is reflected throughout the business. For example, Peoples Coffee state:

Not only do we produce great coffee, but there's a story in every cup. It's not the pattern in your latte, it's the story of our growers and the co-operatives from whom we source our beans. This coffee is often grown by people we know, in places we've visited (Peoples Coffee Limited, 2009b, para. 1).

For Peoples Coffee, Fairtrade provides a means to promote the restoration of balance as well as a degree of producer control in the flow of goods from the developing to developed world (Peoples Coffee Limited, 2009a). Peoples Coffee provide consumers with an opportunity, through their purchasing decisions, to support an alternative model of international trade that addresses the gross inequities and disproportionate wealth distribution of the conventional trading system that has marginalised and exploited producers of the developing world (Peoples Coffee Limited, 2009a).

TO GROW COFFEE IS TO GROW POOR

Rivera (2009) identifies the numerous physical transformations that have accompanied coffee throughout history, from its earliest known use by nomadic tribes as an energy source when coffee berries were combined with animal fat, it was then “consumed as a tea, then a wine, and finally to the beverage we’ve come to identify today” (pg. 28). While the notion of coffee berry and animal fat bars may not find favour with the modern consumer, its modern semblance has a following many millions strong (Rivera, 2009), which translates into an industry worth 70 billion USD annually (Fieser, 2009).

Given the value of the industry, it is not surprising to find that it is a widely held and cited assumption that coffee is the second most valuable traded commodity on earth to oil

(Pendergrast, 2009). However, Pendergrast (2009) finds that this belief is a misconception of what is perhaps a much more important fact: based on United Nations Conference on Trade and Development statistics, coffee is “the second most valuable commodity exported by developing countries” (pg. 41). It is this fact that provides a basis for discussion on the global significance and impact of the coffee industry.

Pendergrast (2009) highlights that regardless of where coffee ranks in the world commodity stakes, what is more relevant is the vast social role played by coffee in the generation of employment and income. The number of people whose lives are impacted through the cultivation, harvest, processing, transportation and commercialisation of coffee is vast indeed. Pendergrast (2009) identifies that while no accurate statistics are available, the “number of people who depend on coffee for all or most of their living is in excess of 75 million” (pg. 41). The International Coffee Organisation, an intergovernmental organisation established by the United Nations in 1962 to “address world coffee problems and issues in view of coffee’s exceptional economic importance and developmental implications” (Onsorio, 2002, pg 3) puts the figure at over 125 million people that “are dependant on coffee for their livelihoods” (Onsorio, 2002, pg. 2). In Ethiopia alone, nearly 15 million people are involved in some direct or indirect way in the coffee industry (Pendergrast, 2009).

Despite the size and value of the global coffee industry, the great coffee growing countries of the developing world remain among the poorest nations on earth. Oxfam International explains that while the global trade in products such as coffee generates incredible wealth and connects the lives of millions of people around the world, “Rich countries and powerful corporations have captured a disproportionate share of the benefits of trade, leaving developing countries and poor people worse off” (Oxfam International, 2009, para. 2). This view is reflected by Trade Aid who argue that, “In a world where coffee growing nations are so reliant for cash from exports, and where oversupply of coffee has been encouraged by World Bank policies, to grow coffee is to grow poor” (Trade Aid (NZ) Inc., 2009b, para. 5).

The risks of the vast reliance on the coffee industry and unequal wealth distribution came to the fore in October 2001 when the price of coffee on world markets marked a decline of almost fifty percent from that of only three years earlier to a 30-year low at 0.45 USD per pound. In what came to be known as the ‘coffee crisis,’ the livelihoods of millions of coffee producers around the world were being destroyed (Gresser & Tickell, 2002). Gresser and Tickell (2002) identify that only a decade earlier “producer-country exports captured one third of the value of the coffee market” (pg. 2), however, this had fallen to less than ten percent by 2001. At the same time, the International Coffee Organisation observed that coffee prices on world markets were “the lowest in real terms for 100 years” (Onsorio, 2002, pg. 1). In the International Coffee Organisation’s submission to the World Summit on Sustainable Development in 2002, they identify that, “There is little doubt that the exodus from rural areas and increased poverty in coffee producing areas caused by the current price crisis poses a very real and wide-ranging threat to sustainable development” (pg. 2).

While prices have recovered somewhat since the crisis at the turn of the 21st century, the imbalance in the distribution of wealth generated by coffee still presides over the industry. Even today producer countries only capture 5 billion USD of the 70 billion USD industry, less than ten percent of the total market value (Fieser, 2009). Juglar (2009) draws attention to the plight of producing countries arguing that even the recent uplift in the global coffee market cannot conceal the fact that coffee “has been suffering for over 30 years from the increase of the difference between what is paid to the local farmer and the price at which the product is finally sold to the consumer” (pg. 18). Bacon (2005) suggests that the driving forces behind the decline in coffee prices will continue and that “prices may remain low for the coming years” (pg. 498). Gresser and Tickell (2002) argue the case for change, “If globalization is to work for the poor – if trade is to work for the poor – then the coffee market cannot fail the poor in the way it is doing at present” (pg. 6).

A BETTER WAY

Such are the inequalities of the conventional trading system that gave rise to the movement known as Fair Trade. Reynolds (2009) explains that the concept of Fair Trade can be “defined by its key institutional participants as an effort to re-qualify trade based on alternative norms of fairness, partnership, and sustainable development and to counter mainstream trade practices based on free market competition” (pg. 1085). In 2001, the four main Fair Trade networks, including the International Fair Trade Association (IFAT) now known as the World Fair Trade Organization (WFTO), Fairtrade Labelling Organizations International (FLO), the European Fair Trade Association (EFTA), and Network of European World Shops (NEWS!), agreed to define Fair Trade in the following way:

Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. (FINE, 2001).

Of these Fair Trade networks, Fairtrade Labelling Organizations International is responsible for global price setting and standards for specific products traded under the Fairtrade scheme such as cocoa, coffee, and cotton. The *Generic Fairtrade Trade Standards* set out a range of requirements for all Fairtrade operators in the areas of certification and inspection, product and documentation traceability, contractual arrangements, buyer sourcing plans, producer pre-financing, and pricing (Fairtrade Labelling Organizations International, 2009b). Under the Fairtrade pricing standards, certified producer groups, or co-operatives, receive a guaranteed Fairtrade Minimum Price, also known as a floor price, generally above market prices but never below. In addition to the Fairtrade Minimum Price paid for the product, certified producer groups receive a Fairtrade Premium for investment in local social, environmental and economic development projects. Lastly, a minimum Organic Differential is paid for certified Fairtrade organic beans. As at October 2009 the Fairtrade Minimum Price for conventional washed green Arabica beans from small producers organisations was 1.25 USD per pound, approximately 0.15 USD higher than the average market rate at the time (Feiser, 2009). Also payable was a Fairtrade Premium of 0.10 USD per pound and a

minimum organic differential of 0.20 USD per pound (Fairtrade Labelling Organizations International, 2009a). This means that Fairtrade certified producers selling washed organic Arabica beans, such as those from the COSURCA co-operative pictured following, would currently receive a minimum of 1.55 USD per pound.



Figure 7: COSURCA Beans - A 70kg Hessian sack of certified Fairtrade organic green coffee beans from Colombia waiting to be roasted by Peoples Coffee. These beans are produced and sold by Empresa Cooperativa del Sur del Cauca (COSURCA), a co-operative composed of 15 farmer associations and coffee cooperatives from four municipalities in Cauca, a mountainous province of southwestern Colombia (Peoples Coffee). Photo: Daniel Houppermans.

In New Zealand, Trade Aid has championed the underlying principles of Fair Trade since 1972 when it became an incorporated society under the vision and leadership of Vi and Richard Cottrell (Corner & Ho, in press). The current *Trade Aid Movement Charter* outlines the organisation’s aim of building just and sustainable communities through Fair Trade and sets out a range of objectives and guiding principles in working toward their vision of “A Just World” (Trade Aid (NZ) Inc., 2004, para. 1). In 2009, Trade Aid remained the only New Zealand organisation certified to carry the WFTO Fair Trade Organisation mark.

With a somewhat complex organisational structure, Trade Aid wears a number of different hats including those of a development agency, importer and distributor, and retailer (Trade Aid (NZ) Inc., 2009a). Of note in the history and growth of the organisation was Trade Aid's expansion into agricultural products including tea, coffee, and spices (Corner & Ho, in press). This was a new direction for the organisation, particularly in relation to coffee. As Corner and Ho (in press) describe, coffee was unique in that, "it was sold on the wholesale market to roasters and cafes as well as on the retail market through Trade Aid shops" (pg. 4). They identify that the Trade Aid Board was "amazed to watch wholesale coffee sales grow to be the largest percentage of Trade Aid's sales" (pg. 4). Fairtrade Labelling Australia & New Zealand and Oxfam Australia highlight that since its beginnings, the Fairtrade market in New Zealand has increased significantly from NZ\$261,050 in retail sales in 2004 to NZ\$10.5 million in 2008, of which coffee accounted for more than NZ\$9.5 million, or 91% of all sales. In 2008, there were forty-two New Zealand companies licensed to sell Fairtrade products including coffee, tea, chocolate, cocoa and cotton (Fairtrade Labelling Australia & New Zealand, 2009).

According to Euromonitor International, the retail value of the coffee industry in New Zealand in 2008 was NZ\$159.9 million, an increase of approximately 9.7% from the previous year at NZ\$145.8 million, and 41% since 2003 at NZ\$113.4 million (Euromonitor International, 2009b). Nestlé New Zealand Ltd and Cerebos Gregg's Ltd together held more than 60% of this multi-million dollar market, primarily in the instant coffee segment. While the instant coffee category dominated the share of total retail sales in 2008 at NZ\$123.5 million (approximately 77%), the fresh coffee category in which Peoples Coffee operated accounted for remaining retail sales at NZ\$36.3 million (approximately 23%) (Euromonitor International, 2009b). Given the estimated retail value of Fairtrade coffee in New Zealand at NZ\$9.5 million in 2008 (Fairtrade Labelling Australia & New Zealand, 2009), Fairtrade coffee accounted for approximately 6% of the entire retail market in 2008. With forecast retail sales of fresh coffee expected to reach NZ\$46.2 million by 2013, representing 7.6% growth in volume and 27.1% in value (Euromonitor International, 2009b), there is opportunity for expansion of the Fairtrade

share in an industry still largely dominated by conventional trade principles and norms.

The growth in Trade Aid's wholesale coffee distribution can be attributed to businesses like Peoples Coffee who, alongside Trade Aid, actively championed the cause of Fair Trade in the coffee industry from the very beginning and today remain pivotal ambassadors for the unseen and unheard producers living worlds away, helping to ensure greater fairness and equity in international trade.

PEOPLES COFFEE ON SUSTAINABLE DEVELOPMENT

As has already been identified, in 2001 the four main Fair Trade networks chose to define Fair Trade as contributing to sustainable development. Reynolds (2009) identifies Fair Trade as an effort to re-qualify trade based, in part, on sustainable development. Lastly, the International Coffee Organization identified the 'coffee crisis' as "a very real and wide-ranging threat to sustainable development" (Onsorio, 2002, pg. 2).

REBALANCING WORLD TRADE

Matt articulated sustainable development as it generally related to business, as "a fairly holistic thing really, rather than something that's just CSR [corporate social responsibility]." This perspective included things that took account of "a full cost analysis," as opposed to activities that externalise costs "so the environment pays, but you don't." Additionally, Matt identified that sustainable development was about being "sustainable for people and communities, sustainable for the earth and its resources; and I guess that carries on into the ideas of what a sustainable culture of life is, in terms of work, and values, and ethics."

The relevance of aspects of sustainable development was evident for Peoples Coffee, particularly in regard to people and communities. Matt explained:

When I first started Peoples Coffee, the driver there, and my understanding of things were probably driven by social justice motivators and the idea that world trade is quite unfair and unequally weighted. That's where the whole Fair Trade

thing started from and I think that does get at sustainability on one level because its very easy for us to grow a business here without any relevance to what's happening for those who are producing the primary products... what's sustainable for the West is often offset onto the East and the rest of the developing world.

THE GOODNESS OF GROWTH

Awareness of the detached state between the lifestyles of those in the developed and developing worlds was also evident in discussion on the key issues and pressures of sustainable development. Matt openly critiqued the growth focus pervading the international economy, which he considered "ironic because part of the problem on our planet is you can't just keep growing." Matt also drew attention to the unwillingness of business and government in addressing issues of equity and limits to growth, "this unequal growth, this unbounded, unabated idea of the goodness of growth I think is an issue that we aren't hearing very many governments talking about or any big businesses." The issue of growth was exacerbated by the difficulty and tension in reconciling sustainability and growth.

I do think the growth factor, the growth culture, whenever people are putting forward sustainability ideas to the wider public or to a government or to any one they're always almost having to do apologetics... It's hard to talk about sustainability with businesses unless you can allow them to continue to grow.

Difficulty in achieving sustainability was also evident in Peoples Coffee's outlook in regard to whether or not enough was being done in New Zealand to address sustainable development. Matt explained that:

Maybe part of our small thinking in New Zealand and our tendency towards tall poppy syndrome mean that we can't hunker down a little bit... Are we doing enough? I think we are responding to our natural tendencies of risk evasion a little bit.

These views extended into responsibilities for addressing issues of sustainable development. Matt identified that he didn't think the mainstream would ever be the one leading that charge, "New Zealand isn't completely run by the business sector and it's not completely run by government." Instead, Matt drew attention to the role of society in general as a powerful basis for addressing sustainable development, through both grassroots leadership and broader buying behaviour stating, "I think in society, at the

general level, there is some good leadership being taken by grassroots people... The consumer as well is a good critique of things.”

PEOPLES COFFEE ON MOTIVATIONS AND BUSINESS

The motivations and imagined ideal for Peoples Coffee, as well as the characteristics of the Peoples Coffee business, demonstrated a desire for change and the efficacy of business as a mechanism in achieving such change.

AN IDEAL WORLD

Reflecting on the initial motivation for Peoples Coffee, and whether or not that motivation had changed since the start in 2004, Matt identified that it was not so much his motivation for Peoples Coffee that had changed from five years earlier, but the environment around them:

I started off very small and idealistic, and we wanted to change the world through Fair Trade. That was the only gain in my head. Since then... the conscious New Zealand market has just mushroomed.

Exploring the imagined ideal outcome of Peoples Coffee, Matt openly admitted that the ideal would be if Fairtrade became the industry standard and they no longer had any point of difference in that regard. Matt described this ideal as a world where, “everyone would start trading directly and communicating with buyers and actually being mindful of the conditions and the life of primary producers in poor countries, so that just becomes a natural way of doing business.” While Matt acknowledged that, “In some ways the ideal is coming already, where most roasters in New Zealand offer Fairtrade coffee” he noted the tendency of people to get lazy and acknowledged the ongoing need for Peoples Coffee “to be a bit of a thorn in the side of ourselves and other companies to continue to keep it real.”

AT THE COALFACE

For Matt, being in business provided Peoples Coffee a number of benefits in pursuing their ideal including access to the issues they were looking to address and a common language among corporations and consumers alike, among others.

Business is a great way of being at the coalface. I feel that that's something that the world takes seriously; it's something that corporations and consumers all understand... When I think about Peoples Coffee and business I do really like the fact that people really take me seriously.

In addition, Matt highlighted the practicality of being in business, in that Peoples Coffee had an ability to directly address some of the structural systemic problems of trade that stem from business models and trading systems themselves. For Matt, being in business brought realism and meaning to his ideas about Fair Trade and social justice, "with business you really get in there and make some changes."

Being in business also enabled the generation of profit, and for Peoples Coffee this was a tool, or enabler, in their pursuit of change. Matt explained:

If you're not able to make money, you can't do all the interesting things that you'd like to do... profit is just a mechanism, its just part of what we do that enables us to keep being on the water.

Matt admitted that he didn't feel innately comfortable with big profits, but also identified he knew how painful it could be "to be under the water, to not be treading water." For Matt, profit was also something that enabled control of the business to be maintained, profit meant that Peoples Coffee would not be driven to take on investors they would rather not have in the business.

QUALITY IN COFFEE AND A FOCUS ON PEOPLE

Exploring why consumers chose Peoples Coffee, Matt was quite clear that, "Peoples customers, like any other coffee customers, love good quality coffee - that comes first." Matt described that in addition to good quality coffee, Peoples Coffee customers were people who generally held an interest in the wider world including the origin of products

and the ethics involved in their production. Matt also articulated Peoples Coffee customers as feeling “empowered to be distinctive and alternative in their purchasing. They want to do things that actually make a difference to the world, but they’re not necessarily going to go out and picket about it.”

The growing community interest in Fair Trade meant greater market opportunities. Matt explained, “When we started 2004, there were no other sole, Fairtrade roasters in New Zealand. And since then, we’ve got everyone on board.” With other Fairtrade coffee roasters opening their doors, the one hundred percent Fairtrade status became less of a distinguishing feature for Peoples Coffee in the industry. “I think it is our point of difference in that regard, as far as it was five years ago. We’ve lost that market share.” As such, Peoples Coffee were rationalising the value proposition and distinction of their business, “hence our digging down into our ground a bit more and going, ‘it is about the growers, it is about the people.’ I think we stand alone in that regard, and we’re unique in that, and that’s cool.”

PEOPLES COFFEE ON VALUE CREATION, INNOVATION, AND CHANGE

AMBASSADORS

As an analytical lens, value creation provided valuable insight into the ambassadorial nature of Peoples Coffee. When asked to describe the value that Peoples Coffee created and who benefits, Matt noted, “we’re quite involved in sponsoring crèches and local bands and schools and things like that. I mean I think that’s what any local business should do anyway, so it’s sort of nothing special.”

However, what Matt considered more significant was the value that Peoples Coffee created as the voice for the primary producers within the coffee industry and the larger Fair Trade movement. “I think we really have been ambassadors especially in the first

few years when we got a lot of people coming to want to talk.” Peoples Coffee were also proactive in getting information out into the wider community, Matt explained:

I’ve done quite a lot of talks to schools, a lot of youth groups and various interest groups about Fair Trade. Every time I come back from origin I’ll take a slideshow and talk to Lions and Rotary, Wellington City Council and different people around what is Fair Trade like on the ground.

For Peoples Coffee, education and storytelling was a really important part of the business, “I’ve found that that’s been really significant for people; when we’ve actually told the story people really get a hell of a lot out of it.”

Furthermore, Matt made it clear that education and storytelling was something that Peoples Coffee was looking to further enhance, “we’re currently talking about starting a foundation on the side or something so we can do that more specifically...we want to educate customers as to what’s really happening... being storytellers about the other side of the world.” Additionally, Matt identified that while it could be difficult to get into the industry, Peoples Coffee would act as a conduit from time to time to put people in touch with the right contacts such as Trade Aid.

DOING THINGS DIFFERENTLY

For Matt, the focus on people was the leading distinction of the business when compared to others within the industry:

There have been a number of other Fairtrade companies, but I don’t think in New Zealand there’s anyone quite like us who has done the people focused thing... I think, when we get down to it, our reason for being is still about the growers, and I think that’s a fundamental thing that we wouldn’t compromise on, potentially to the point of going under.

Not surprisingly, such an approach to business presented both difficulties and benefits for Peoples Coffee, “I think, doing things differently, you’ll get great fans and you’ll get detractors as well.” For Matt, initial difficulties included the limited understanding of the Fair Trade concept within the wider public as well as limited supply and sources for certified Fairtrade coffee. Matt also highlighted the significant cash outlay required for the use of the Fairtrade Labelling Organizations (FLO) International certification mark on

their products, at two percent of Peoples Coffee's net income this fee remained a significant cost for Peoples Coffee.

Certification presented another difficulty for Peoples Coffee in the integrity of the FLO mark and message. Matt identified how large industry participants had achieved certification and the right to bear the Fairtrade mark despite the marginal amounts of Fairtrade coffee they actually purchased, for Matt this diluted the strength and credibility of the mark somewhat. Taylor (2005) argues that the most significant challenge for certification schemes and labelling initiatives such as FLO is to be "in the market but not of it" (pg. 130), in other words, being "able to pursue alternative values and objectives such as social justice and environmental sustainability without being captured by the market's conventional logic, practices and dominant actors" (pg. 130).

Matt also alluded to issues associated with the plethora of labels and schemes emerging outside of the Fairtrade framework. Reynolds, Murray and Heller (2007) highlight the rapid increase of voluntary certification and labelling initiatives in recent years, particularly in the coffee industry. "Corporations are jumping on the bandwagon, instituting new production guidelines, codes of conduct, and product seals to bolster consumer loyalty and market shares" (pg. 147). Brown (2004) highlights the dilemma of such an overabundance of labels and initiatives as well as their inconsistent application in that it "retards consumer awareness and lessens support for sustainable coffee as a whole" (pg. 262). As such, Matt pointed out the need for labels and marks of authentication to keep their strength as honest marks, "I think there's an ongoing debate around the world around what shows you're doing what you say you're doing, and how can we actually go beyond packaging and actually see that in your company." Despite any criticism of FLO, Renard (2005) points out that the pricing structures and criteria of parallel labels and schemes are far inferior to those of FLO.

On the positive side, Matt described the benefits of doing things differently as being quite inspirational, "People were inspired to see someone start out like this, and we still get a lot of people just coming and saying that, 'We love what you're doing.'" Matt described

that through talks people would “get inspired about doing things differently... people are just blown away by it.”

OLD SCHOOL, NEW SCHOOL

Exploring the sufficiency of efforts within the New Zealand coffee industry, Matt reflected, “I think in New Zealand we’re doing really well.” Matt identified that this was in large part due to the efforts of Trade Aid, “Trade Aid have championed the cause of Fairtrade in New Zealand since the seventies and they have done the hard yards, pioneered the way for a company like us to be able to then make it a bit cool.” However, while Trade Aid had paved the way for companies like Peoples Coffee, Matt pointed out that “we still do have the old school importers who are bringing the same product they always have... and they’re not willing to move. They’re entrenched in their position.” Hira and Ferrie (2006) explain that despite its successes, businesses remain skeptical of the certification requirements and market potential for Fairtrade coffee. “Businesses do not want to make a change that has no effect on the bottom line, and which they perceive as possibly creating a competitive disadvantage to others who do not comply” (pg. 111).

The differentiation between new and embedded industry participants flowed into influence in achieving change in the rules or principles that guide activity within the New Zealand coffee industry. Matt associated his sphere of influence with new industry participants.

With a bunch of these new smaller roasters starting up, if they’ve been friends of ours, they’ll by and large go entirely Fairtrade, and they’ll start that way... I think I have a number of influencing things on that younger generation of coffee business owners who are actually sick of the old school.

In contrast, Matt highlighted the difficulty in achieving influence amongst those long established and entrenched players within the industry:

The coffee roasting industry in New Zealand is pretty ego driven, maybe like many big industries. You tend to have people who, if they’ve been around long enough, whatever they say is the correct thing to say. So it’s harder for someone like me to come in and say stuff.

Not one to give up so easily Matt noted that, “I think I personally could invest more in those relationships and that network and affect potentially greater change.”

CHANGING THE WAYS WE LIVE, THINK, AND BEHAVE

Beyond the sphere of industry to society at large, exploring if Peoples Coffee could achieve changes in the ways in which people live, think, and behave Matt responded, “Yes, I definitely think so... I think we very much do have the opportunity to potentially influence a certain sector, a certain generation of people.” Matt likened the accessibility of the Peoples Coffee brand to the start of a rabbit’s warren, “You can go down deep if you want to, but you can just as nicely have your coffee and go on your way.” By acting as a repository of knowledge about the coffee industry within society, Peoples Coffee were harnessing a powerful tool that shapes the underlying principles and practices employed within markets.

I think in the next ten years if you don’t have third party certification on things you’re not going to be able to lead your industry... I think the consumer will, through the markets, as some of their needs change and the way they look at the world, that companies are going to have to listen to that sort of thing.

Matt identified the relatively small size of Peoples Coffee, and the marginal budgets associated with public relations and marketing as an issue in scaling up their efforts to achieve change and get converts, “We’ve only got the two stores and our website. And I think we’re still quite new to some of the ways that actually cover more ground as a small company. And I think that’s just taking time.” As an alternative, Matt identified that they’ll often “go and sponsor a gig” enabling them to gain valuable exposure, raise awareness, and acquire new customers. Matt also identified the desire for Peoples Coffee to develop more of a program with greater depth.

That means we become a bit of a pot of experience, information, and knowledge that people can actually draw from... we actually want to make that accessible to the wider public, to schools, groups and to people like that.

When Matt started Peoples Coffee he wanted to change the world through Fair Trade. Already Peoples Coffee had achieved a significant impact through the relationships they had developed and continued to build with the growing cooperatives around the world, as

well as through the ambassadorial and advocacy roles they had adopted for Fairtrade. Discussing the potential of Peoples Coffee in stimulating global improvements within the coffee industry, Matt explained that Peoples Coffee could perhaps achieve greater global influence through “partnering with co-ops so that they actually have a stake in our success here and we may have some investment in their country as well.” While Matt associated his influence and involvement as “somewhat on the margin of mainstream” he made the observation that “I don’t think you should ever really limit the possibility that a small group of people can make a real change.”

PROPHETS AND PIONEERS

Matt observed a need for both incremental and fundamental change in the ways we live, think and behave in achieving sustainable development. In regard to the sufficiency of incremental changes, Matt observed that “small is sometimes the only way you start, and the only way you get traction.” Drawing on his experience of Fairtrade in New Zealand as an example, Matt stated:

Initially it was just this slow little grinding caterpillar. And then some momentum picked up behind it and was really able to survive quite well because there was some depth to it... So I think lasting changes are good, that it’s incremental, I think it’s more sustainable when it’s like that... So, I do think incremental change is good.

On the other hand, Matt identified the need for fundamental change countering:

But I think we need the prophets as well, who call a spade a spade and say, ‘the emperors got no clothes on.’ Who critique heavily and say, ‘we need wholesale revamp... I think that Peoples Coffee has some prophetic elements to it around that international trade needs to change.

Matt observed that, “The more I go along I think... we need the prophets who can name and sometimes shame the big beast... and at the same time, the pioneers who scratch away.”

SUMMARY

Peoples Coffee can be distinguished by its ambassadorial nature, employing business and market forces to ensure that the realities of international trade and the plight of coffee growers in the developing world are seen and heard. Peoples Coffee set about changing the world through Fair Trade and only five years into that journey have made considerable contributions in raising the profile and awareness of Fair Trade in both the coffee industry and wider public within New Zealand. As Peoples Coffee continue in their inspirational journey of change one can only imagine what great heights this group of Kiwi's with a vision for a more just and equitable world might achieve.

A GOOD PHILOSOPHY

A CASE STUDY OF THE GOOD WATER COMPANY LIMITED



“We want to restart peoples caring for the environment as it must be cared for... To win, you have to believe you can do it. You have to be passionate about it. You have to really ‘want’ the result – even if this means years of work.”

Sir Peter Blake – extracts from his last log book entry December 2, 2001.

DO WHAT YOU CAN

Grant Hall⁴, the founder and CEO of Auckland-based ‘The Good Water Company Limited,’ had a simple philosophy about people and their responsibilities to one another and to our planet: “everyone should do what they can, where they are, with what they have.” For many people, Grant had gone beyond what most would dare dream possible in the realms of their influence and capacity to affect change. Grant had invested his livelihood into formulating a sustainable cradle-to-cradle packaging solution for bottled water in New Zealand, a solution that Grant hoped would go some way to addressing the devastating environmental impacts of plastics such as polyethylene terephthalate (PET) widely used in the New Zealand beverage industry and around the world. Even though Grant had made significant headway with Good Water in the two years since it’s founding, he conceded, “I may fail. But you know what? I’ll go down screaming and

⁴ The time and effort contributed by Grant Hall in the development of this case study is gratefully acknowledged. Unless otherwise noted, all quotations in this case study are from Grant Hall directly.

kicking all the way, and be proud of what I've done.” This study examines the unique case of The Good Water Company Limited.

A NEW ZEALAND FIRST

The Good Water Company was founded in September of 2007, producing and selling premium still spring water in a revolutionary space saving bottle made from renewable and biodegradable polylactic acid (PLA) sourced from U.S. based NatureWorks LLC. It was at a considerable personal cost that Grant, together with East Tamaki based TSL Plastics Ltd., the largest privately owned PET bottle manufacturer in New Zealand, invested in developing the necessary local expertise and capacity required for the production of the space saving PLA Good Water bottle, the first locally produced bottle of its kind in New Zealand (Bowden, Kearins, Collins & Tregidga, 2009). SCION, a Crown Research Institute whose goals include supporting the acceleration of growth in the New Zealand bioeconomy, also provided technical expertise in the development of the PLA bottle and continues to work with Good Water today in the development of an environmentally benign bottle closure that combines organic waste and PLA. PLA can be defined as degradable aliphatic polyester capable of being produced entirely from natural resources such as corn. It is different from conventional plastics such as PET in that it is both completely renewable and biodegradable (Schwark, 2009; Sudesh & Iwata, 2009). Product sustainability extended to the bioplastic film used for the bottle label (pictured following) derived from wood-pulp cellulose sourced from managed forestry plantations. Good Water is also a founding member of Greenplastics Incorporated, a product stewardship organisation set up to develop and promote socially, environmentally, and economically sustainable end of life options for post-consumer PLA products such as the Good Water bottle.



Figure 8: Good Water - The 375ml Good Water bottle made from NatureWorks PLA with the label manufactured from enviroSense bioplastic film, both manufactured from renewable resources and entirely biodegradable (The Good Water Company). Photo: Daniel Houppermans.

In 2009, Good Water employed three full time staff and engaged a number of part-time employees to meet the demands of various functions and events ranging from the Auckland Foodshow to the Highlife New Years Eve Experience. Good Water sold in the 375ml ‘goodie’ screw cap and 650ml ‘good’ sipper cap sizes, primarily through the on-trade channel directly to restaurants, cafés, and bars, but also at functions and events as well as indirectly through some regional off-trade accounts with retailers such as Starmart and New World. On 30 November 2009, Good Water received their first national off-trade account order from Progressive Enterprises to supply Foodtown, Countdown, and Woolworths supermarkets with Good Water products nationwide. This would provide Good Water a valuable national presence, greater public exposure and accessibility. In the fiscal year ending March 2009, the 650ml bottle made up approximately 60% of unit sales, representing 67% of total sales value, with the 375ml bottle accounting for remaining unit sales and value. Good Water marked their first profitable month of operation in November 2008, and with increasing sales in the latter half of 2008/09 closed out the financial year (March 2009) with a small net profit before tax of just over NZ\$5,000 (Bowden et al, 2009).

THE MOTIVATION

Before there was ‘Good Water’ there was ‘Holy Water’, a successful brand developed as a result of the observed popularity of bottled water sales in a bar Grant was working for at the time (Bowden et al, 2009). With the success of the ‘Holy Water’ brand came new responsibilities. As part of Grant’s involvement with the New Zealand Juice and Beverage Association (NZJBA) he was put on the Environmental Beverage Action Group, a cross-sectoral working group formed under the *New Zealand Packaging Accord*, regarding the impact of post consumer waste associated with the beverage industry. When Grant was tasked with researching what was happening with post-consumer waste for the working group what he unearthed was both unexpected and disheartening, “there was no recycling... we were exporting all our bottles... some of them were even being burned for energy... I was just absolutely devastated.” In addition to the false impression of recycling there were issues associated with the intensive use and reliance of fossil fuels in conventional plastics production, their limited biodegradability, and the impacts of post-consumer plastics waste on the environment and ecosystems. This revelation was a turning point for Grant, he knew things had to change and set about investigating the options. Grant explained:

It was just serendipity that at the same time the Sir Peter Blake Trust came out with that report about the devastating impact of plastic in the marine environment... And so it was subsequent to conversations with them that we jointly set up this Good Water project.

Partnering with the Sir Peter Blake Trust (SPBT) provided access to a range of valuable expertise and assistance in developing the Good Water Project and turning it into reality (Bowden et al, 2009).

The partnership also provided a practical way in which Good Water could give back to the community through committing NZ\$0.10 per bottle of water sold to the Sir Peter Blake Trust. In the fiscal year ending March 2009, Good Water had already contributed more than NZ\$50,000 in support of SPBT initiatives such as ‘Care for our Coast,’ a programme that provides teaching resources to help educate and empower the next generation of New Zealander’s in caring for the coastal environment. As Grant explained,

Good Water and the Sir Peter Blake Trust were a “natural fit”.

THE VISION

Grant explained that the initial goal of the Good Water Project was to produce a water bottle made from sustainable resources, but equally important was the commitment to get it recycled in New Zealand or ‘upcycled’ for alternative post-consumer use. The Product Stewardship Vision for The Good Water Project outlines ten goals to which Good Water have committed in their pursuit of a completely upcycled product lifecycle in New Zealand. Good Water’s vision will see the local production of ‘Good’ bottles, bottle caps and labels from locally sourced organic waste and biomass, as well as bottle reclamation post-use for conversion into nutrient enriched seedling pottles for use in the New Zealand forestry and horticulture industries. Pottles will enhance seedling growth through both a reduction in transplantation stress and the release of nutrients during pottle biodegradation speeding the growth to maturity. The organic waste from harvest will then be used as source biomass for PLA resin production in new bottles, what Good Water describe as “the perfect loop” and depicted in the illustration that follows (The Good Water Company Limited, 2009c).



Figure 9: The perfect loop - Good Water's illustrative depiction of their product stewardship vision. Image: The Good Water Company Limited.

Braungart, McDonough and Bollinger (2007) define such upcycling as “cyclical, cradle-to-cradle ‘metabolisms’ that enable materials to maintain their status as resources and accumulate intelligence over time” (pg. 1338). Under this approach, the Good Water bottle would never acquire the status of waste and maintain a degree of value as it is cycled within a closed-loop system. Compared to the traditional cradle-to-grave approach, Braungart et al (2007) describe the resulting synergistic relationship established between ecological and economic systems inherent in the cradle-to-cradle approach as a “positive recoupling of the relationship between economy and ecology” (pg. 1338).

THE BURDEN OF THE PLASTICS BOOM

It's hard to imagine a typical day in Western society without the use of, and reliance on products manufactured from plastic; in fact it's nearly impossible. Spokas (2008) observes that, “Plastic is in every aspect of our lives, from the morning toothbrush to the garbage bag that is carried out at the end of the day” (pg. 473). Al-Salem, Lettieri and

Baeyens (2009) explain that since the onset of industrial scale synthetic polymer production in the 1940s, not only has the production and consumption of plastics increased considerably but also the rate of plastic solid waste. They explain that given the widespread application of plastics in our daily lives it is not unreasonable to find a considerable volume of plastic solid waste within municipal solid waste streams. The Ministry for the Environment (MfE) identified that between 2004 and 2008 plastic waste, as a proportion of the total waste stream sent to landfill in New Zealand increased from 6 – 8% (Ministry for the Environment, 2009). Schwark (2009) noted that the worldwide demand for plastics would likely continue towards an estimated global consumption of 258 million tonnes in 2010, representing a per capita consumption of 37 kg. Spokas (2008) captured both the boom and burden of plastics stating, “One has to marvel how quickly plastic materials have infiltrated the day to day workings of our society and daily life routines, as well as becoming the rallying post for documenting environmental impacts of our human society” (pg. 473).

Two major issues associated with plastics include diminishing oil reserves associated with production and the environmental impacts of post-consumer waste. It should come as no surprise that many, if not all, needs of modern society such as food, fuel, energy, and materials are highly dependent upon a diminishing supply of fossil resources (Sudesh & Iwata, 2009). This reliance extends to plastics, almost all of which require oil and other petrochemical products for their manufacture (Schwark, 2009; Sudesh & Iwata, 2009). Additionally, Derraik (2002) identified that the very characteristics of plastics that make them desirable for the production of a wide range of products such as their weight, strength, durability and low cost, also “happen to be the reasons why plastics are a serious hazard to the environment” (pg. 842). Taken together, these issues present “environmental problems owing to the foreseeable drop in extraction of fossil fuels and to rising landfills” (Schwark, 2009, pg. 646).

While MfE highlighted a general increase in recycling rates in New Zealand between 2004 and 2008, they also pointed out that due to decreasing international demand for recyclable materials the ongoing recovery of materials such as plastics may decrease and end up going to landfill (Ministry for the Environment, 2009). Gibson (2009) explains

that while the secondary commodity market for recycled materials such as plastic boomed in recent years with increasing oil prices, the current economic downturn has resulted in a sharp decline in prices and demand across the board for recycled material in favour of virgin stock. This poses a significant threat due to the fact that New Zealand presently exports around 95% of recovered plastics (Gibson, 2009).

THE RISE OF THE PLASTIC BOTTLE

In 1973, Nathaniel Wyeth, an engineer at U.S. based chemical company DuPont, was issued the first patent for a soda bottle made from polyethylene terephthalate (PET) (Spokas, 2008). Since Wyeth's patent, the production and consumption of a range of PET bottles has grown exponentially around the world. In 2007, the production of PET bottles grew by 24.4 billion units, an increase of 9% from the previous year with bottled water accounting for more than half of this growth (Euromonitor International, 2008). The total global volume of PET bottles is expected to grow by more than 25% between 2007 and 2011 reaching an estimated 380.6 billion units in 2011. Euromonitor International expects that the growth of PET bottles within bottled water "will continue to see phenomenal growth over the forecast period" (Euromonitor International, 2008, pg. 12).

According to Euromonitor International, New Zealanders purchased and consumed 42.6 million litres of bottled water through the off-trade channel in 2008 (sales through retail outlets such as supermarkets, service stations, and convenience stores), this translated into category sales of NZ\$82.8 million and accounted for approximately half of all bottled water sales in 2008 (Euromonitor International, 2009a; The Good Water Company Limited, 2009b). Approximately one quarter of the total volume sales of bottled water came from the on-trade channel (sales through restaurants, bars, hotels, and cafés) with the balance of sales coming from events and functions (Euromonitor International, 2009a; The Good Water Company Limited, 2009b).

Between 2003 and 2008 the value of the off-trade bottled water market grew by 101% (Euromonitor International, 2009a), with still bottled water dominating category sales at NZ\$56 million, or approximately 68% of off-trade sales in 2008. Off-trade sales of

bottled water were forecast to increase by 16.2% by 2013 at an estimated value of NZ\$96.3 million. Euromonitor International identified the potential for continued market development stating that “bottled water consumption in New Zealand has not reached maturity and the category remains under-developed” (Euromonitor International, 2009a).

In 2008, Frucor Beverages, owned by Japanese beverage giant Suntory Ltd, held 52.9% of the off-trade bottled water market by value with brands such as H2GO, NZ Natural, and Mizone. Coca-Cola Amatil (NZ) Ltd held a 38.9% share with popular brands including Pump, Kiwi Blue, and Aqua Shot. Other industry participants including Charlie’s Group Ltd, Nestlé New Zealand Ltd, and Private Label brands together held 4.6% of the off-trade bottled water market with smaller labels including Good Water accounting for 3.5% (Euromonitor International, 2009a).

The rapid increase in the production and consumption of PET bottles within the bottled water industry has not gone without concern. Gleick and Cooley (2009) explain “as bottled water use continues to expand around the world, there is growing interest in the environmental, economical, and social implications of that use, including concerns about waste generation” (pg. 1). In the New Zealand market Euromonitor International finds that “public awareness of environmental concerns about the disposal of bottled water packaging is at an all-time high” (Euromonitor International, 2009a).

BIOPLASTICS OFFER HOPE

In order to overcome the issues of plastics a great deal of effort has been spent since the 1970s in the research and development of sustainable and biodegradable alternatives to conventional petrochemical based plastics (Sudesh & Iwata, 2008). Schwark (2009) explains that, “Recent research and development efforts succeeded in producing polymers from renewable resources and polymers that are biodegradable. Some plastics even combine both characteristics” (pg. 646).

One such success has been the development and commercialisation of polylactic acid, also known as PLA, a bioplastic that combines two characteristics, production from

renewable resources and post-consumer biodegradability. PLA is defined as “degradable aliphatic polyester which can be completely produced from natural resources” (Schwark, 2009, pg 647). PLA is produced through, “the polymerization of lactic acid... produced from the anaerobic fermentation of sugars that are derived from starch by enzymatic or acid hydrolysis” (Sudesh & Iwata, 2008, pg. 437).

Sudesh and Iwata (2008) describe plant derivatives that are renewed on an annual basis including “corn, sugarcane, sugar beet, potato, cassava, rice, wheat and sweet potato” (pg. 437) as the starting materials for PLA production. They point out that through carbon sequestration by such plant crops grown as feedstock for production, PLA “can be regarded as ‘carbon neutral’... over the long term and on a global scale” (pg. 437). Current producers of polylactic acid (PLA) include NatureWorks LLC in the United States, Hycail in the Netherlands, and Japanese Mitsui Chemicals and Toyota (Sudesh & Iwata, 2008).

While the concept of a renewable and biodegradable bioplastic might seem like a straightforward solution to the problems of traditional plastics, this emerging industry is not without its own issues. Sudesh and Iwata (2008) describe the stringent criteria that plastics must meet in packaging applications, for example, food packaging applications require “suitable strength and flexibility, non-toxicity, impermeability to oxygen, good moisture resistance, stability during storage over a wide temperature range, and low cost for both the starting materials and the processing technology” (pg. 434). Such stringent criteria, Sudesh and Iwata (2008) argue has led to the low uptake and acceptance of many newly developed biodegradable plastics such as PLA which has traditionally lagged behind conventional plastics in strength and thermal properties.

Additional issues in the uptake of bioplastics have stemmed from the recycling industry itself. Cornell (2007) explained the pressure stemming from the recycling industry that claim bioplastics in smaller quantities foul existing recycling processes for plastics such as PET, in turn affecting the ability for reuse, saleability and profitability. Cornell (2007) argued that in spite of any expectations people may have, biopolymers must reach a critical mass within the existing post-consumer plastics recycling stream in order to be

profitable, after all “reclaimers are business people looking for profitable opportunities” (pg. 298). A correlation can be drawn between the volume of biopolymer in the recycling stream with the uptake and acceptance from the recycling industry. “At low levels, the incompatible minor resin is a nuisance. At higher levels, the incompatible resin is a problem. At still higher levels, critical mass can be achieved and the resin is an opportunity” (Cornell, 2007, pg. 298). Such critical mass in various markets may be on the horizon, as Markarian (2008) points out, with global production capacities of bioplastics expected to increase from 260,000 to 1.5 million tonnes between 2007 and 2011, biopolymers will come into “more direct competition with resins such as PET” (pg. 22).

THE GOOD WATER COMPANY ON SUSTAINABLE DEVELOPMENT

A NEW MODEL OF DOING BUSINESS

For Grant, sustainable development had three elements: “There’s a community element, there’s an environmental element, and then there’s a fiscal, financial element.” Sustainable development held relevance for Good Water in the need for a new model of doing business. Grant explained that the longevity and success of any business hinged on the need to “integrate its contribution into the community,” and that giving back was about finding a value niche related to the product or service offered by the business and incorporating that into the company’s value proposition. In the case of Good Water, specifically their association with the Sir Peter Blake Trust and the impact of plastic on the marine environment, helping to educate young Kiwis about how to care for the marine environment was a “natural fit.” Grant explained that the sole concern for bottom line profit was no longer good enough and that businesses would need to think more carefully about their conduct in the marketplace and society. As an example, Grant identified the need for increased transparency in business, and for Good Water, this presented a leadership opportunity, “there’s a lot more that we can do, and we plan to.”

PUNCHING ABOVE OUR WEIGHT

Grant identified the innovativeness of New Zealanders as a key advantage in tackling the challenge of sustainable development. He observed that, “when you set a really big, hairy audacious goal, people step up, and they’re motivated by that.” However, Grant was disappointed that the Government, through its weak commitment to issues such as climate change on the international stage, hadn’t shown faith in the ability of New Zealanders to rise to the challenge. Grant considered that the Government had made a mistake in underestimating, “the ability of New Zealanders to come up with creative solutions. And New Zealanders are renowned as innovators.”

On the global stage, Grant observed strong interconnectedness between New Zealand and the rest of the world saying, “I think that the planet is our life raft in the universe, and everything that we do on earth, everything we create on the earth, it stays here.” Representing the Good Water project had enabled Grant to travel around the world and benchmark against other initiatives and efforts. This was a source of inspiration and pride for Grant, as he explained, “I think we’re actually punching above our weight.” However, this was no reason to sit back and relax, Grant highlighted the ongoing need to recognise that “what we do upstream affects what happens downstream.”

THE PROBLEM WITH CONSENSUS

Consequently, it was not surprising that Grant observed a strong need for New Zealand to be doing more. While there were some “really great examples of small local regional initiatives” they lacked sufficient scale to make any national contribution or achieve any nationally measureable impact. Grant identified misinformation as a major challenge in scaling up national efforts in achieving sustainable development because “all the information that gets out into the media is quite watered down... what tends to come out is what everyone agrees on, the consensus viewpoint, which understates the challenges that we face.” Grant pointed out that while no government wants to create a sense of emergency, there was a serious issue with the dilution of information and messaging that

shapes the views and perceptions within society, “I’m definitely not convinced we’re doing enough about it. It’s awareness isn’t it? It’s education.”

A considerable challenge for Good Water was also found in the power possessed by key stakeholders and lobby groups. Grant explained, “The traditional models of doing business, which haven’t served us that well, especially recently, are incredibly powerful... The status quo is hard to change. It’s hard to move a big ship, you know? Hard to stop one fast.” While Grant acknowledged it was difficult to balance commercial considerations with environmental realities, particularly for the Government, he expressed his unhappiness that this balance hadn’t favoured the environment. What’s more was that in a recessionary environment, “sustainability sort of goes out the window to affordability.” For Grant, the failure to act now would be something that came back to bite us harder in future.

DON’T LET PERFECT GET IN THE WAY OF BETTER

Grant held a personal philosophy on responsibility for addressing challenges of sustainable development. Grant’s view was “that everyone should do what they can, where they are, with what they have.” He explained that given the magnitude and complexity of issues surrounding sustainability people could become overwhelmed causing them to simply give up and say, “It’s too hard.” However, Grant believed that people had to “take individual responsibility and lead by example,” doing what they could, with what they had, where they were. Grant also identified the importance of accepting that there were stepping-stones to achieving perfection, “don’t let perfect get in the way of better... If you do your best... be happy with that.”

THE GOOD WATER COMPANY ON MOTIVATIONS AND BUSINESS

INSPIRED BY A CHALLENGE

For Grant the initial catalyst and motivation for The Good Water Company was the revelation that there was barely any plastic recycling occurring in New Zealand. Since then that motivation had only strengthened with Grant's commitment fortified by the difficulty he had encountered in pursuing his vision. Grant explained, "It's been so challenging to go out and try and convince some of the bigger players that they need to change their thinking about packaging... that has actually inspired me... I could have quit... but I'm not like that." While Grant was more resolute than ever, he acknowledged that he could still conceivably fail, however he'd "go down screaming and kicking all the way" and be proud of what he'd achieved.

When Good Water started out, they set three goals to achieve within a five year timeframe. The first two were to develop and produce a water bottle from sustainable resources, and to get it recycled in New Zealand. After only two years of operation Grant identified "I'm supremely confident we'll do that." The third goal, that by Grant's own admission was very ambitious, was "to raise a million dollars for the Sir Peter Blake Trust." While this goal had proven more difficult than anticipated within a New Zealand context, Grant had broadened his thinking to include international licensing for the duplication of the Good Water model in other countries with usage-based payments that would contribute to achieving this goal.

COMMERCIAL VIABILITY

In regard to the use of business in achieving desired changes, Grant explained that, "everything you do has to be commercially viable otherwise it's got no longevity. Even a not-for-profit still has to pay the bills." Consequently, for Grant the ability to achieve long-term profitability would help to counter the tendency for push back from businesses

that believed that recycling had no commercial viability. Grant explained, “Recyclers here in New Zealand are in business to make money. We know that, and we respect that. And therefore we need to work with them and show them that being ethical can be fiscally viable.”

In regard to profit, Grant identified it had “never been a primary driver,” however “I think profit allows us to communicate our story a lot better.” Communicating the story of Good Water would help raise awareness and the profile of the business within the wider public. Good Water did not undertake any ‘above the line’ marketing, and for Grant this was something that held them back. Grant had travelled around New Zealand and discovered that, “a lot of people have never even heard of Good Water... So if we can generate a higher return, it gives us more capability to communicate what the project is all about.”

A GOOD PRODUCT

Grant held the view that “people buy off emotion and justify with logic.” He explained that any product had to exhibit some functionality, and for Good Water such functionality could be found in the hydration it provided. Beyond this functionality was also a “sense of contribution” that customers attained with the product serving as a “psychological signpost that I’m trying to be good.” This sense of contribution came with a strong emotional connection, as such Good Water customers tended to be “the people that care a little bit more.” Grant believed that in the future a growing group of consumers would be “looking and seeking out products and services that fulfil their own personal beliefs about sustainability,” and in terms of hydration, Grant hoped that Good Water would satisfy that need.

In regard to competition in the beverage industry, Grant described the aggressive tactics of competitors who sought control over distribution channels in order to maintain a degree of industry control. Grant explained that competitors within the bottled water industry would offer lucrative incentives for smaller on-trade channel retailers such as cafés to sign exclusive supply contracts requiring them to supply products solely from

that provider. Grant's response to such practices was by comparison quite different in both approach and rationale.

Well see, we don't contract our customers... We say look, if we have to force you in a legal binding contract to stock our product, then how good is our product? And how good is your commitment to it? You know, we want you to stock it of your own volition, of your own free will, because we believe it's a good product, and I think your customers will agree.

THE GOOD WATER COMPANY ON VALUE CREATION, INNOVATION, AND CHANGE

INFORMATION AND INSPIRATION

Grant identified both tangible and intangible values associated with Good Water. However, it was the intangible value provided by Good Water acting as both "a role model for the rest of the industry, and also as a source of information to the general public" that, in Grant's view was of most significance and one of the primary things that Good Water contributed.

Besides the uptake of the PLA water bottle by industry participant Charlies, Grant identified it was difficult to gauge the difference that Good Water had been able to achieve since the start, particularly the intangible impact. However, Grant explained, "I think we've made a significant difference and I measure it by the feedback I'm getting." Grant identified how people would be "shocked to learn what we're doing with waste right now. But at the same time inspired by what we can do if we approach it with a different attitude."

CHALLENGING THE STATUS QUO

In choosing to do things fundamentally differently to others in the industry, Good Water had not met with the smooth passage and commendation Grant had expected. Rather, Grant identified the myriad of challenges and stumbling blocks that Good Water had

encountered since the project's inception. Grant explained that among the difficulties encountered the biggest impact came in the form of "the push back from the recycling industry... and the plastics industry." Grant described the powerful interests of the recycling and plastics industries who "put up roadblocks in front of us, right at the very start, which culminated in a letter from the Ministry for the Environment [claiming that]... New Zealand wasn't ready for sustainable packaging." Grant explained that, "the investment in the status quo was so big that people felt threatened and intimidated by our alternative."

With the push back from industry also came misinformation. Grant explained that the recycling industry would use propaganda to influence public opinion on the benefits of biopolymers by issuing press releases claiming that PLA would likely "destroy the integrity of their recycling programmes." For example, Plastics New Zealand Incorporated, a national industry group representing over 180 plastics companies including recyclers, presents information on their website that conveys degradable plastics such as PLA as a threat that could lead to the "contamination of successful recycling methods," (Plastics New Zealand Incorporated, 2009, para. 1). As such, there was an ongoing need for Good Water to communicate with the public about what was really happening, addressing the space between fact and fiction. As a challenge, misinformation had been most difficult to deal with, and for Grant it was something that would be ongoing, "I haven't seen the last of that." Grant identified that he didn't expect the industry to change until they could see an impact on the bottom line.

Despite the difficulties, business still represented a unique mechanism for Grant in pursuing change. Grant explained that business was unique in that they didn't have to compromise as much as others like the government that worked on consensus. For Grant, business was more effective and efficient in pursuing change as opposed to government. Rather than trying to keep everyone happy Grant explained "we can be quite one-eyed and actually say, 'no, this is the way we're going.'" While Grant acknowledged that under this approach there would be criticism and challenges, they could "just go and rip into it," not having to compromise on their vision.

A CATALYST AND CONSCIENCE

Grant expressed confidence in Good Water's potential to achieve change both within industry and society. For Grant, achieving changes within the beverage industry was less about rules as it was about principles. Grant believed that, "principles will be followed if they're viable, if they're viable commercially." Grant identified his ambition for Good Water to act as "a catalyst for change right across the whole industry." Catalysing such change could be found in Good Water's eagerness to share their knowledge and intellectual property with their competitors in the hope of spurring the industry to abandon PET in favour of PLA (Bowden et al, 2009). If Good Water could be a conscience to the beverage industry, forcing companies to rethink their use of packaging that would be "hugely satisfying." Grant explained, "Imagine if we can do the right thing, be ethical, contribute to the community, take responsibility for that product, and make money." Grant considered that a successful product stewardship model would force the industry to take notice and challenge existing models of doing business.

When asked if Good Water had any ability in achieving changes within society, specifically in the ways in which we live, think, and behave, Grant responded "Yes, and how? By sharing what we've learned, and what we know." While communicating the Good Water story had been limited to lower profile media channels with no above-the-line marketing undertaken, Good Water made good use of events and functions as well as the internet in getting the Good Water story out into the community. The internet had given the Good Water story a global reach through their website as well as use of social networking utility Facebook, one guestbook entry on Good Water's website expressed the "great achievement" of the project and the desire for the technology to one day reach Kuwait (The Good Water Company Limited, 2009a). While international influence hadn't been a goal for Good Water, Grant explained, "I think that it's inevitable that The Good Water Project will be used as a case study globally. I'm quite sure of that actually." Grant was also happy to share and talk with anyone, including his competitors about Good Water's ethos and product stewardship vision for an upcycled beverage packaging system in New Zealand.

Also contributing to achieving change in the ways in which we live, think, and behave was Good Water's support for programmes helping to educate young New Zealanders in ways to care for the environment. Through instilling and promoting awareness and associated behavioural responses in young people, Good Water was supporting the continued growth and awareness of sustainable ways of living, "because those kids become future advocates for what we're doing, and what we're doing helps fund more kids into those programmes like Care for Our Coast."

In regard to the pace and scale of change, Grant considered that both incremental and fundamental change had a place in achieving sustainability. "I think it's a bit of both really. I don't think that industry would accept a fundamental change easily, and I think incremental change is going to be more palatable to the public as well." What needed to change in a fundamental way however was the consumer perception of waste, "change that paradigm, that perception of value, because at the moment there's no perception of value with disposable packaging." Grant identified that Good Water would hopefully make progress towards achieving a shift in social attitudes towards plastic waste by implementing a monetary redemption scheme on all biopolymer Good Water bottles.

SUMMARY

While Good Water continued to champion the cause for change in the use of conventional plastics in the New Zealand beverage industry, they still faced immense challenges stemming from the powerful commercial interests embedded within well-established and profitable systems. However, resistance from within the beverage and recycling industries meant that Good Water had hit a nerve, compelling industry participants to consider their impacts and what the future might hold. While the challenges that lay ahead were great, Grant was more resolute than ever to work towards achieving change and realising the vision for Good Water. Grant summed up Good Water's intentions and vision quite simply stating, "we think there's a better way."

REAWAKENING HUMANITY

A CASE STUDY OF BORDERLESS PRODUCTIONS LIMITED



*Borders are scratched across the hearts of men,
By strangers with a calm, judicial pen,
And when the borders bleed we watch with dread,
The lines of ink along the map turn red.*

Maria von Heimburg Mannes, American author, journalist and critic, 1904-1990, extract from *Subverse: Rhymes for Our Times*, 1959.

CREATING POSITIVE CHANGE

Qiuqing Wong⁵, co-founder of Auckland-based film, television, and media company Borderless Productions Limited was adamant that she was no different to any other person one might cross paths with, “I don’t have anything more than anyone else does. Honestly, I don’t.” However, sitting in the loft of Old Sofrana House on Customs Street East in the heart of Auckland City, the creative hub of Borderless Productions, one couldn’t help sense that there was something remarkably different about this business and the people at its heart. “Born out of a really strong desire to use film and media to create positive change in the world,” Borderless Productions were using their commanding and award-winning mastery of filmmaking and storytelling to confront some of the greatest

⁵ The time and effort contributed by Qiuqing ‘Q’ Wong in the development of this case study is gratefully acknowledged. Unless otherwise noted, all quotations in this case study are from Qiuqing Wong directly.

issues of our time. This study examines the unique case of Borderless Productions Limited.

WHAT'S IN A NAME?

Borderless Productions was underpinned by a unique and powerful philosophical perspective that challenged the bounds of traditional business and shouldered a vision and mission to make the world a better place through film and media. By way of preface to discussing the business of Borderless it is important to first examine the question: what's in a name?

Tétreault and Lipschutz (2009) describe borders as social constructions, or invisible lines, that both separate things from one another as well as keep them together whether it be among countries, neighbourhoods, schools, towns, religions, races, ethnicities, income groups, or social classes. Sometimes these lines can be easy to cross, and at other times difficult if not impossible to cross. Tétreault and Lipschutz (2009) argue that such a condition defies natural intuition given that, “the borders that divide countries and people are largely imaginary” (pg. 101).

A similar paradox can be found in William Shakespeare's *Romeo and Juliet*, where Juliet asks Romeo, “What's in a name? That which we call a rose by any other name would smell as sweet” (Shakespeare, trans. 2000, 2.2.45-46). Within this short verse, Shakespeare conveys an important theme of his well-known play in which two warring families – the Montague's and Capulet's – can do nothing to reconcile an ancient grudge that by all accounts exists only in a name. The irreconcilable division between the Montague's and Capulet's serves to highlight that socially constructed phenomena such as names, and likewise borders, can divide people despite the absence of any rational or natural difference between them.

Qiuqing explains, “The whole concept of the word ‘Borderless’ is that despite there being countries, religions and ethnicities, there needn't necessarily be borders, because humanity is essentially one thing. We share one planet, not five, or ten, or one hundred.”

Tétreault and Lipschutz (2009) question if borders should not be regarded so much as a means of demarcating one person from another but as, “lines that make both pluralism and diversity possible. In this sense, borders could be more about connections among people than a means of keeping them apart” (pg. 101). Such a view was reflected in Borderless Productions’ strong international focus, “I think I have a responsibility to help those living in Africa, Asia, and New Zealand. And I will do that.”

NOT JUST MAKING STUFF

In 2004, Qiuqing Wong and life partner Dean Easterbrook found themselves contemplating what would come next in their respective careers. Qiuqing was a producer with a commerce degree and a strong interest in business, and Dean, an accomplished director with a passion for filmmaking. They wanted to combine their talent and interests in film direction and production but “didn’t want to be just making stuff,” which a lot of people in their view were doing, with little satisfaction or impact. Qiuqing described the motivation offered by the hypothetical deathbed scenario:

We wanted to be doing something that we felt really good about – it would mean that if you’re lying on your deathbed and you look back on your life, are you proud of what you’ve achieved? It was that which gave us the inspiration.

As such, in 2004 combining their collective talent and interests the pair founded Borderless Productions in Vancouver, Canada. Drawn by the allure of home, Qiuqing and Dean would later relocate Borderless Productions to Auckland, New Zealand, where they opened their doors for business in January of 2006. Alongside Borderless, Qiuqing and Dean also founded the Borderless Foundation, a not-for-profit organisation designed to champion the work and vision of Borderless projects. As of early 2010, Borderless Productions employed three full-time staff including Qiuqing, Dean, and a production manager with a number of additional contractors engaged on a project-by-project basis. Borderless’ main activities comprise: one-off film/video projects for clients; campaign management; and, documentary films and campaigns that are independently developed, produced, and distributed. All of Borderless’ work was underpinned by the vision to “improve the lives of individuals, families, communities and nations,” and mission “to

make the world a richer place to live for now and generations to come” (Borderless Productions, 2009c, para. 1).

Borderless Productions one-off film and video projects have included television commercials for organisations such as World Vision and Oxfam, viral videos distributed through the Internet, and corporate productions serving a variety of clientele and needs. In some cases, Borderless Productions have donated their services to support causes that they strongly believe in. For example, combining efforts with *Good* magazine in 2008, Borderless helped create a short viral video promoting the United Nations World Environment Day hosted by New Zealand on 5 June 2008. The short film was created to inspire people to action regarding climate change, and delivered a powerful message: “while you wonder if you can make a difference, millions of others are wondering the exact same thing, stop wondering and take action towards a low carbon economy” (Borderless Productions, 2008). The film was released through the Internet (hosted by websites such as the United Nations Environment Programme and YouTube), circulated by email, and shown at World Environment Day events around the country delivering a message for positive action and change.

Beyond one-off film and video projects, Borderless also engage in campaign management comprising the ongoing planning, creation, and delivery of media campaigns designed to bring about positive change. A longstanding client of Borderless Productions campaign management services was AMP. In 1998 AMP founded the *AMP Scholarship Programme* aimed at developing Kiwi talent through the provision of financial support to help recipients achieve their goals. As of 2009, AMP had “helped 100 ordinary Kiwis achieve extraordinary things” (AMP, 2009) including Qiuqing herself who received a scholarship in 2006 and subsequently became a supplier to the programme. Since 2006, Borderless Productions have told the inspirational stories of forty-eight of these extraordinary New Zealanders who have a real passion to achieve their goals. Recipients have included artists, doctors, teachers, sports people, scientists and entrepreneurs who have a “determination to succeed and turn their dreams into reality” (AMP, 2009). For Borderless Productions, working with the AMP Scholarship Programme had enabled them to communicate stories of “inspiration and leadership out

to the community.” As Qiuqing explained, these stories could, “inspire people to be better and do good things.”

Lastly, but perhaps of most significance are Borderless documentary films and campaigns. Borderless identified, “From inception of an idea to production and distribution, Borderless documentary films are renowned as world-class with an emphasis on: Filmmaking excellence, integrity in story telling and a for-purpose approach to film and campaign management” (Borderless Productions, 2009a, para. 1). Like many others in the industry, Borderless set out to create beautiful stories and films that could inspire, inform, and implore their audiences. Where they differed markedly, however, was when the credits rolled.

For Borderless Productions the completion of a film represented only half of the journey in achieving positive change. In addition to producing world-class documentary films, Borderless were interested in what impact their films could achieve following production. As such many were supported following distribution by social ventures or campaigns designed to continue and champion the work of the film (Borderless Productions, 2009a). For example, Borderless Productions documentary film *A Grandmother's Tribe*, chronicled the stories of two remarkable grandmothers, including Grandmother Freda Makokha (pictured following), living in sub-Saharan Africa who bore the maternal responsibilities for their grandchildren in the wake of a generation that is being lost to HIV/AIDS. The documentary followed the daily trials and triumphs of these two grandmothers and their inspiring fortitude and love in caring and providing for their grandchildren, enabling viewers to experience a world and circumstances far removed from their own.



Figure 10: Far from Hollywood - Grandmother Fridah Makokha and grandson Emanuel Wafula at the premiere screening of 'A Grandmother's Tribe' held at Namboboto Secondary School in Samia District, Kenya, in December 2008. Photograph: Ouma Wanzala.

Alongside the 2008 DVD release of *A Grandmother's Tribe* came a special *TAKE ACTION Event Guide*, included with every DVD, as well as a dedicated page on the official documentary website outlining how the public could help the grandmothers of sub-Saharan Africa. Borderless' *Take Action Initiative* encouraged and enabled the public to host private fundraising screenings of the film and provided guidance and advice on running a successful event. Borderless chose to donate all net proceeds raised through fundraiser screenings of *A Grandmother's Tribe* as well as a percentage of the proceeds from DVD sales to the Stephen Lewis Foundation. The Stephen Lewis Foundation is a Toronto-based charitable organisation that supports community-based organisations that are working to turn the tide of HIV/AIDS in Africa, including raising awareness and mobilising support for Grandmothers like Freda (Stephen Lewis Foundation, 2009). Qiuqing explained that the documentary had raised about \$150,000 NZD towards building homes for the grandmothers of sub-Saharan Africa, paying school fees, and even helping construct a new local well. In April 2009 *A Grandmothers Tribe* was recognised on the international stage when it was awarded the Carolyn Stolman Humanitarian Award at the 2009 Sonoma International Film Festival.

SHAPING THE WORLD

From papyrus and parchment to printable press, motion pictures, radio, television and the Internet, the media environment has evolved significantly since the earliest forms of communication, particularly during the twentieth century, what Gibbons and Hiebert (1999) labelled the “mass media century” (pg. 3). Stein (1972) explained, “In the past, our picture of the world was largely shaped by the established institutions of the society. Most vital information was, at least for a time, the exclusive property of government officials, military men and business leaders” (pg. xi).

Today New Zealanders are exposed to a media environment comprising, “more than 6,000 magazine titles (of which 650 are published locally), more than 150 metropolitan and community newspapers including 26 daily newspapers (with a circulation of approximately 777,000), 450 cinema screens, 300 radio stations and 87 TV channels” (Euromonitor International, 2007, pg. 1). What’s more, the increasing availability and bandwidth of the Internet as a media channel, perhaps more so than any time in history, has provided unprecedented public access to information. In 2008, 47.5% of all New Zealand households possessed a broadband enabled computer, while 86% of New Zealanders had some form of regular access to a computer or laptop with Internet access (Euromonitor International, 2009c). As identified by Straubhaar, LaRose and Davenport (2009), the Internet provided a means for the public to, “actively seek out, interpret, and correlate information that was formerly packaged and given to us by the older media” (pg. 51). As such, the public now had the choice to, “become active seekers, users, and contributors of information instead of solely passive receivers” (pg. 51).

The power of the media in shaping the world has long been explored and examined. Stein (1972) described, “beyond our limited daily experience, it is television, radio, newspapers, magazines and books – the media – that furnish our consciousness with the people, places and events that we agree to call reality” (pg. xi). This view is supported by Gitlin (2003) asserted that, “of all the institutions of daily life, the media specialize in orchestrating everyday consciousness – by virtue of their pervasiveness, their accessibility, [and] their centralized symbolic capacity” (pg. 2).

The media also serves a number of important social functions, principally those of “surveillance (keeping track of our world or environment), interpretation (making sense of what we learn), value transmission (passing values on from one generation to the next), and entertainment” (Straubhaar et al, 2009, pg. 57). Not only that, but Straubhaar et al (2009) also identified that, “Today the media have assumed roles of storytellers, teachers, and even parents” (pg. 51).

Gitlin (2003) argued that it is the media who certify reality *as* reality and that such ascendancy makes it difficult for any effective opposition to the beliefs and principles instilled by the media. Gitlin (2003) explained, “Every day, directly or indirectly, by statement and omission, in pictures and words, in entertainment and news and advertisement, the mass media produce fields of definition and association, symbol and rhetoric, through which ideology becomes manifest and concrete” (Gitlin, 2003, pg. 2).

From shaping broader social structures to influencing the ways in which people live from day to day, the media has tremendous influence, potential, and responsibility (Grossberg, Wartella, Whitney & Wise, 2006). The media continuously shapes our picture of the world determining what we think, how we feel, and what we choose to do about our social and political environments (Stein, 1972). Taken to its conclusion, Grossberg et al (2006) argued that the media is capable of controlling “the very form and substance of contemporary social existence” (pg. 8).

DOCUMENTARY

Motion pictures are perhaps one of the most captivating and influential forms of media to emerge in the last century. Rabiger (2009) described that basic moving pictures first emerged in the mid-1890s, and that “As they developed the tools – cameras, film stocks, sound facilities, and editing equipment – films language and its ability to move hearts and minds improved” (pg. 67). From 1895 through to 1920 cinema audiences saw an immense amount of news footage, and bore witness to the triumphs and tragedies of World War I through the silver screen. However, “not until Robert Flaherty’s *Nanook of*

the North did they see an actuality story with deliberately imposed, overarching meaning” (Rabiger, 2009, pg. 71). Acknowledged as the seminal work of the documentary genre, using a hand-cranked 16mm camera, Flaherty’s *Nanook of the North* chronicled the daily lives and struggles of an Inuit Eskimo family living in the harsh arctic environment, where life is dependent on “human resourcefulness, cooperation, and optimism” (Rabiger, 2009, pg. 73). Flaherty believed that the Inuit were a vanishing culture and as such was producing an ethnographic record of a unique way of life that was being lost. Since Flaherty, the genre has maintained its allure for filmmakers wanting to engage the public in questions or issues relating to the world we live in and share (Nichols, 2001).

Nichols (2001) described the documentary medium as a vehicle of expression used to “turn our attention to the world we already occupy” (pg. xiv). With resourcefulness and inventiveness, documentary films capture our attention and enable us to experience “worlds we would have otherwise never known” (Nichols, 2001, pg. xiv). Such experiences can be provocative and powerful, as described by Nichols (2001), “when we believe that what we see bears witness to the way the world is, it can form the basis for our orientation to or action within the world” (pg. xiii). Bernard (2007) described that, “At their best, documentaries should do more than help viewers pass the time; they should demand their active engagement, challenging them to think about what they know, how they know it, and what more they might want to learn” (pg. 3).

THE QUANDARY

In acknowledging the power and influence of the media, so too must we acknowledge the great potential it has in affecting change. Bornstein (2007) however identified a deep-rooted problem in the use of the media stating, “The ratio of problem-focused information to solution-focused information in the media is completely out of balance” (pg. ix). Bornstein (2007) described the negative impact of this imbalance in that “It distorts reality; it is dispiriting; and it deprives people of the knowledge they need to properly assess risks and recognize opportunities” (pg. ix). However, Borderless Productions were blazing a trail for more solution-focused media through their positive,

informative, inspirational and for-purpose approach to media. In regard to the role of media in sustainable development, Clayton and Bass (2002) argued, “The media is no longer an observer, but an actor for sustainable development” (pg. 249).

BORDERLESS PRODUCTIONS ON SUSTAINABLE DEVELOPMENT

THE PERFECT WORLD

For Qiuqing, sustainable development was a multifaceted phenomenon encompassing environmental, social, and economic factors. With an intuitive understanding of the environmental sphere sufficing, Qiuqing went on to explain that in her view social sustainability was about how cultures could continue to live with their values and traditions as family units from generation to generation. Thirdly, was economic sustainability, something that Qiuqing described that in the space of a few hundred years had become a reality of the world today. Qiuqing was well aware of the significance of economic sustainability, particularly in business, since “I run a business, not a charity. If we don’t make money we’re not going to be here next year.”

Sustainable development was then something that held strong relevance for Borderless Productions. The *raison d’être* of Borderless’ was to use “film and media to create positive change in the world,” Qiuqing explained that this meant Borderless film and media “could be used to inspire young people to go to university, or it could be as broad as helping alleviate poverty in certain parts of the world - we’re talking anything and everything.”

Of key sustainable development pressures faced globally, Qiuqing observed significant differences between countries. “I think they’re different [key pressures]. I think we’d be fooling ourselves to think that if we focused just on New Zealand that we’d be creating a just world.” Qiuqing explained that New Zealand was “a really nice country,” we had access to food, housing, and could probably survive successfully if we were isolated from

the rest of the world. While Qiuqing acknowledged that New Zealand had dysfunctions around things such as drugs and alcohol, she pointed out, “There are parts of the world where, if they have a drought, hundreds of thousands of people will die. And there is no choice.” For Qiuqing, “at the very basic level, the perfect world is one where every human being has a choice to live and have food, clean water and shelter. But people don’t.” Responsibility for addressing such issues was something we all shared, “all of those things need our attention, and our assistance and we must acknowledge the diverse circumstances.”

Globally, Qiuqing noted strong reciprocity in terms of actions and impacts between New Zealand and the rest of the world, “we share one planet, not five, or ten, or one hundred... things like the environment are a perfect example of how what China does affects us, and so forth.” As such, Qiuqing’s interest in business, as reflected in Borderless’ endeavours, had been very much of a global nature.

GLOBAL LEADERSHIP

On the world stage, Qiuqing expressed her desire for New Zealand to be seen as a global leader in regard to global issues such as sustainable development. She identified the leading roles New Zealand had played throughout history, receiving new immigrants, the country’s strong anti-nuclear stance, and revolutionary gender movements. She observed that these were some “extraordinary things, and yet what are we? A country of four or five million people.” Furthermore, Qiuqing noted that, “As a New Zealander travelling and doing this work, I find that we’re perceived as a very impartial party in global issues and I think that’s a really strong position to be in.” For Qiuqing, such a clean slate provided “a very good position from which to incubate global ideas.”

While New Zealand held potential to continue providing global leadership on issues, Qiuqing expressed some concern at the somewhat isolated, or protected state of the New Zealand public from some of the most pressing global issues.

My big issue is that I open the newspaper or I watch the news, and I don’t see anything about what’s happening in parts of Africa... it’s just not big news for us.

I feel like New Zealanders are somewhat being protected from some of the things happening in the world.

Qiuqing was very clear in her assessment of the sufficiency of current efforts towards achieving sustainable development, “if there was enough being done it would be solved, wouldn’t it? So, the short answer is, ‘No.’” However, Qiuqing acknowledged that life wasn’t that simple, “I think that as humans we’re always going to create issues. So, you have to accept a level of issues.” In regard to problems such as poverty Qiuqing identified “I think we’ve got a long way to go.”

HUMAN NATURE

Qiuqing held a unique view on the key challenges of sustainable development, “I think a lot of the challenges come down to human nature, like greed.” Qiuqing provided the example that, “we can feed the whole planet with the amount of food we produce in this world, there is no reason why a single person should be hungry, and yet we haven’t designed this solution.” According to Qiuqing, the reason that a solution had not been found was not so much because people were stupid so much as politics, power, and other human conditions complicated the search for solutions.

Qiuqing described such human conditions as “darknesses” that held us back. However Qiuqing made the observation that, “for every piece of darkness there is a piece of light” and that there were some incredible people in society with a passion to bring light into these challenging situations. Qiuqing stated, “The more people that do that, the bigger the groundswell, the bigger the impact and therefore it may just take over.”

Qiuqing was also very clear on her views regarding responsibility for achieving sustainable development in that nobody held any greater responsibility than anyone else. “I don’t think because you’ve got a million dollars in your bank account you should have more responsibility than a person with one dollar.” According to Qiuqing, “every human being... should take some responsibility for the betterment of human kind, whichever way they do it.”

BORDERLESS PRODUCTIONS ON MOTIVATIONS AND BUSINESS

REAL REACH

Since starting Borderless, Qiujing admitted she'd learnt a lot about business, "there are some fundamentals to survival: cash flow, planning, strategies and great people... I've become a lot more disciplined and business-like in my interactions with other people, because I am committed to the long-term vision." For Qiujing, the ideal outcome for Borderless would be a truly global presence in which "every one of our core values is being lived in everything we do." A truly global presence would see Borderless "making film and media that reaches not just those who have access to expensive televisions, but those who also need to be inspired, and are in very poor situations, so that we have a real reach."

For Borderless, business was a natural fit in supporting their vision and mission to bring about positive change, "I guess we've taken the business model because it's easier to be honest." Being in business would mean that Borderless could attain financial self-sufficiency in funding their projects, which had traditionally been largely dependent on third party financial support. Alongside the business, Qiujing and Dean developed the Borderless Foundation, a not-for-profit organisation designed to "leverage media projects to create awareness and motivate a take action response for creating positive change in the world" (Borderless Productions, 2009b, para. 3). For example, the foundation was tasked with overseeing the effective ongoing support of specific ventures and campaigns deployed in conjunction with documentaries such as *A Grandmother's Tribe*. While the foundation had largely provided in kind services to date, the commitment to realising positive change in future would see a percentage of profits generated by the business go to the foundation. The foundation's Board of Trustees would then "design models or design projects for the money to then support the community." Qiujing explained that initially 10% of Borderless Productions Limited annual profits would be channelled to

the foundation, and over time with the growth of the business they'd look to increase that figure in incremental steps, "we're just trying to figure out what those dollar figures are."

The future growth and profitability of the Borderless business would enable a level of reinvestment in growth, meaning "bringing more people into the family and into the vision [of Borderless]." Profit would also enable a greater investment in achieving change. While Qiujiing observed the tendency for many businesses to simply write out cheques in order to fulfil some moral obligation to society, Qiujiing explained "I like to do things whereby I invest money in doing something that then goes and helps people rather than just give them money." However, Qiujiing did acknowledge that this approach takes substantial time and effort, and in future could change given the ever-increasing workload of Borderless.

CUSTOMERS AND COMPETITION

The types of clientele that Borderless had worked with were many and varied but shared one thing in common, as Qiujiing explained, "we've got to believe in them, the idea." For Borderless business was more than transactional, it was about the relationships they shared with their customers, some of which had been with Borderless since day one. As Qiujiing explained, "we have awesome relationships, we have dinners with some of our customers, and we have cool friendships with them."

Borderless worked with non-governmental, not-for-profit, and corporate customers who had connected with Borderless both intentionally and fortuitously. While prospective customers routinely approached Borderless, Qiujiing and Dean would also actively approach organisations, people, and causes in which they strongly believed. Qiujiing explained, "Sometimes we'll approach people and say, 'Look, we really love what you do, can we talk to you about how we can help you?'" In cases, such an approach had led to the inception of new projects for Borderless. Even in the absence of any ability by those approached to fund projects, Borderless had plied their trade on a pro bono basis, as Qiujiing identified, "we have done things for people for nothing."

Qiuqing identified the apparent influence that Borderless had on some of their corporate customers, many of which had a “strong corporate social responsibility vibe about them” as well as some that were void of “any seemingly caring edge for the world.” Qiuqing explained that it was fascinating and rewarding to see some of their corporate customers develop more of a sense of responsibility and care for the world over time whether as a result of Borderless’ influence or other outside sources.

Borderless had many competitors but were unique in their approach to business. Qiuqing explained, “there are a lot of people making films, videos and commercials,” however, “there’s nobody in New Zealand who does what we do with the values underpinning their work.” While Borderless stood alone in their demonstrable commitment to creating positive change, Qiuqing acknowledged, “I know there are a lot of people who really genuinely care about doing good things in our industry. I’m sure some of them are already starting to do what we’re doing.”

PROVIDING A SOLUTION

Borderless were not in the business of just making documentaries, there were some specific criteria that needed to be satisfied. Qiuqing explained that Borderless documentary films had three criteria that must exist: firstly the subject matter had to demonstrate a need that was important, secondly the need had to be urgent, and thirdly a solution that could be applied to that need had to be available. Qiuqing stated, “we’re not going to go and identify an issue or person without providing our viewers with a reason why they should care and help, a solution essentially.” On the commercial side of the business, there was no formula for selecting clientele and projects, rather Borderless had a belief that their values would attract the right clientele, “Like attracts like in life, it’s a little bit like that. We broadcast our values as much as we can and hope that that’s reflected again in who comes and works with us.”

BORDERLESS PRODUCTIONS ON VALUE CREATION, INNOVATION, AND CHANGE

INSIGHT, INSPIRATION, AND INNOVATION

The value that Borderless created was multifaceted, found not only in the insight and inspiration provided to audiences, but also in spurring viewers to action. Qiuqing explained, “at the very basic level, we tell stories that you may not have ever seen, nor heard about if we didn’t do it. So we’re giving you insight... Sometimes it’s just inspiring people... It might be just that basic.” In addition, Qiuqing explained that some of Borderless projects had literally helped people out of poverty as a result of their campaigning and work following a project.

Qiuqing described the difference that had come as a direct result of their documentary *A Grandmother’s Tribe*. Not only had the documentary raised awareness of the situation of the individuals featured, and many like them, the funds raised as a result of Borderless’ documentary had also brought about positive changes in the lives of the grandmothers and their families. Qiuqing remained modest regarding Borderless’ contribution in her acknowledgement that, “it’s a drop in the bucket really when you think about what needs to be done, but it’s something.”

Not surprisingly, Qiuqing was not daunted by a challenge. Rather, she was determined to not simply overcome difficulties, but do so in such a way that paved the way for others to do the same. In regard to the financing of Borderless projects and the fact that Borderless had never received one dollar from the New Zealand government, Qiuqing stated, “if you can’t get something a certain way, make it up. Make up another way. There are always many ways to solve a challenge. We know what we know only because someone has already made it up...so if you need a new way, make it up.” According to Qiuqing, it was that kind of inventiveness that needed to exist.

For Borderless, such innovative behaviour could be found in the unique approaches applied to the financing and development of their documentary films and campaigns,

“each project has a unique approach applied to it depending on what is relevant and required.” As an example, Qiuqing explained the unique funding model and approach employed by Borderless’ next film and campaign project aimed at profiling the importance of the role of Microfinance in the development of extremely poor entrepreneurs throughout the world. According to Borderless, it was only fitting that they developed their own Microfinance funding model to bring this project to fruition. The project, “On my own two feet” will complete its filming in 2010 and is expected to be released worldwide in 2011. Beyond the financing model bringing life to “On my own two feet,” Borderless operated a unique ‘self-financing model’ that operated by inviting like-minded sponsors, donors and investors to become a part of the creation of Borderless’ documentary films.

The people we attract have a similar ethos and vision for the planet – they’re deeply interested in seeing these issues tackled and productively worked on. The great thing about this way of financing is that these individuals and organisations join us in creating a family, a community of interest and they have a vested interest in seeing the challenge overcome.

STANDING FOR SOMETHING

For Qiuqing, Borderless was the same, in many ways to others in their industry, “we’re the same in that we strive to tell beautiful films. We love to satisfy our audiences. We function like a business like most of them do.” However, this was about as far as any similarity stretched. The characteristics that made Borderless stand out could be found in the kind of work they undertook and the ways in which they followed up on their work. Qiuqing explained, “most people finish making a film and put it on the shelf or give it to a broadcaster. When we finish making a film, we are most concerned with how is it going to be seen and used.” Qiuqing explained how some people could spend years of their lives creating one film and that the knowledge amassed over that time could be immense. To walk away at the completion of a film without following through, or considering what help or assistance might benefit the subject of the film was “a crying shame.” Nichols (1991) states, “the pleasure and appeal of documentary film lies in its ability to make us see timely issues in need of attention, literally” (pg. ix).

For *Borderless*, providing a means for viewers to take action regarding such issues was at the core of their documentary films. “Our journey is only half way when we make a film, I think that’s what makes us really different. I think every filmmaker should be doing this, because I think you’ve got a huge responsibility.” Qiuqing explained that as a filmmaker, you shouldn’t wait for somebody else to do something about the matter such as the sub-Saharan African Grandmothers, because nobody else may do anything about it, “we’re going to take matters into our own hands and make sure that they’re looked after.”

Qiuqing believed that her life had been made easier by doing things differently, “you know how McDonalds stands out from every other burger place in the world? For better or worse. I think that by having a brand that stands for something, you make your life easier, because you don’t need to then explain yourself.”

Qiuqing was also very clear regarding the sufficiency of efforts by others within the media industry towards achieving sustainability. When asked if others were doing enough, Qiuqing responded, “No, not at all. I think that they’re too challenged with survival. It is probably one of the most powerful mediums, next to the Prime Minister’s role, and they are so irresponsible.”

Qiuqing observed that as a model, business held potential in leading us towards a more sustainable world, with the apparent failures of business attributable to people rather than business itself. Qiuqing explained, “It’s the human use of business that has determined its fate. So we should never blame business for doing anything. We should blame people, if we need to.” Alongside the human failings in the use of business were also triumphs, Qiuqing observed that, “business can do amazingly positive things as well... the actual functional model of the way business is run, is actually a very, very good technique. A tool, I suppose.” Qiuqing explained that it boiled down to the intentions that people held for using business, “if you could find out their purest intention at the very beginning, then you’d know where they would end up anyway.” With the right people at the helm business possessed great potential in achieving change.

LEADERS AND GRASSROOTS MOVEMENTS

Qiuqing saw some potential in Borderless' ability to achieve change within the industry, "It's not my goal... But I suppose it's possible." According to Qiuqing, "the more successful Borderless is, the more people will look to it as a model, and I guess it would set an example and therefore would influence their behaviour. Sure, it could take a leadership position in that respect." Qiuqing expressed confidence in Borderless' ability to achieve change in the ways in which we live, think and behave. Qiuqing stated, "I think that a one hour film that takes you into Africa – a place most of us wouldn't necessarily go – gives you a one hour experience of what it's like to live there." Armed with such experience could provide an individual with the insight necessary to modify the ways in which they think and behave, "if you can understand that, you may have some empathy for the Somalian that you meet in Mount Roskill tomorrow. So, yeah, I do think it can change people." However, Qiuqing pointed out that Borderless was only one contributing factor in achieving such change, "it's everything that affects us... everything we see, read, experience in our life."

In regard to the size and scale of change, Qiuqing held the view that there was a need for both incremental and fundamental change in achieving sustainable development, "It's a bit of both maybe. There are the leaders and then there are the grass roots movements." Qiuqing explained "I think we need some transformative change," citing the election of President Barrack Obama as a somewhat transformational experience for the United States of America and the rest of the world. According to Qiuqing, fundamental or transformative changes could provide the necessary stimulus to assist humanity in changing course, "I think things like that can move us in certain directions." Equally important for Qiuqing however was the ability of incremental change, which at a critical mass was capable of transforming society. Qiuqing explained, "if enough of us throw our plastic bottles into the recycling bin, then over time that creates a critical mass, which then transforms society. Culture is built that way." Of the change that Borderless was capable of achieving, Qiuqing stated, "our role is to help people become more aware."

SUMMARY

Borderless Productions was born of a passion to use film and media to create positive change in the world and leave it a better place for having been in it. Using media as a platform to communicate stories of triumph and tragedy, from local heroes to global challenges, Qiuqing and Dean were working to provide insight and inspiration to audiences near and far, and a unique *take action* approach to storytelling that challenged the conventional passive audience culture. Armed with a unique mastery of filmmaking and storytelling, Borderless were recently recognised on the international stage winning the Carolyn Stolman Humanitarian Award for *A Grandmother's Tribe* at the 2009 Sonoma International Film Festival. Such recognition early in the life of Borderless is surely only a sign of what's to come in Borderless efforts to reawaken our humanity.

CHAPTER V: FINDINGS

This chapter details the findings developed through the cross-case analysis and examination of data collected for the three cases included within this research investigation. The findings highlight those convergent and divergent themes, categories, elements and ideas that demonstrated some salience through analysis and examination to the research questions outlined below.

This research set out to investigate: How does private sector social entrepreneurship play a role in sustainable development in New Zealand? Following a review of the literature in the field, several related questions were developed for exploration as outlined and structured in the table below.

Table 4: Thematic sections and research questions

Section: Conceptualisations of Sustainable Development

Questions	<ol style="list-style-type: none">1. <i>How do social entrepreneurs in New Zealand understand the concept of sustainable development? (For example, do they perceive any relevance between the concept and their activities? Do they believe enough is currently being done to achieve sustainability? And, whom do they consider holds responsibility in working towards achieving sustainability?)</i>2. <i>What kinds of change do these social entrepreneurs seek to achieve and are these changes consistent with the Brundtland principles of sustainable development, e.g. in meeting the needs of the present as well as preserving the ability of future generations in meeting their own needs?</i>
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Section: Motivations and Business

Questions	<ol style="list-style-type: none">3. <i>What motivates these social entrepreneurs and how do they articulate the 'ideal outcome' of their efforts?</i>4. <i>What advantages does business provide for these social entrepreneurs as opposed to other models such as government or not-for-profits?</i>
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Section: Change Agents

Questions	<ol style="list-style-type: none">5. <i>How do these social entrepreneurs perceive the need for changes in the ways we live, think, and behave, and what ability do they believe they hold in achieving such change?</i>6. <i>What innovations, strategies and techniques do they deploy in order to achieve change?</i>7. <i>How do these social entrepreneurs measure, capture, or understand the impact of their efforts? (For example, what value do they create and what difference do they believe they've made since the start?)</i>
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This research reveals many similarities to the themes and ideas presented within the current field of literature as well as some interesting new perspectives that provide fresh ways in examining the role of social entrepreneurship in sustainable development. While there are limitations in the ability to form generalisations from only three case studies, the common threads that emerged across the cases, which indicate important points of interest in our understanding of the role of social entrepreneurship in sustainable development are now discussed.

CONCEPTUALISATIONS OF SUSTAINABLE DEVELOPMENT

Congruent with Sneddon et al's (2006) portrayal of sustainable development as "a conceptual meeting place for many actors, and a shared set of assumptions for their communication and joint action" (pg. 259), the *raison d'être* for each of the three entrepreneurs⁶ participating in this research could, invariably, be positioned within the conceptual compass of sustainable development as established by existing scholarship in the field. The founding principles and purpose of each of the entrepreneurs in this research investigation was unique and inspirational, each representing a personal pursuit for change that was largely consistent with Dunphy et al's (2000) explication of sustainable development as the need for "a sound environment, a just society and a healthy economy" (pg. 22) (See Table 5: Aligning sustainability outcomes and the entrepreneurial *raison d'être*).

⁶ For ease of reading and in differentiating the cases from one another, the contributions from each participant will be attributed by the venture name, specifically 'Peoples Coffee,' 'Good Water,' and 'Borderless Productions.' This should not deviate from the shared focus on both the entrepreneurs and the enterprises they create that is adopted by this research investigation (see page 37).

Table 5: Aligning sustainability outcomes and the entrepreneurial raison d'être

Case	Industry	Raison d'être	Primary outcome
Peoples Coffee Limited	Coffee roasting	Addressing the globally iniquitous trade practices within the coffee industry.	A just society
The Good Water Company Limited	Still bottled water	Addressing the devastating impact of disposable petroleum-based plastic packaging on the environment.	A sound environment
Borderless Productions Limited	Film and media	Using film and media to create positive change in the world.	A just society

Amidst the rhetorical turbulence surrounding sustainable development, the entrepreneurs expressed understandings of the concept in all cases yielded largely pluralistic viewpoints of sustainable development (Schlange, 2007; Sneddon et al, 2006) with environmental, social, and economic aspects articulated (See Table 6: Expressed understandings of sustainable development). Among the many approaches to defining intergenerational equity (Weiss, 1992), Borderless Productions were the only participant to explicitly address the notion of equity among generations in defining sustainable development. Perhaps owing to the conceptual difficulties inherent in the concept (Jansen, 2003), Peoples Coffee and Good Water chose to attend more implicitly to issues of equity among generations over the course of each interview; something that was intuitively embedded in their understanding of the need for change and the subsequent preservation and improvement of options available to future generations.

Table 6: Expressed understandings of sustainable development

Peoples Coffee Limited	<p>"I guess I'd see it as a fairly holistic thing really."</p> <p>"Things that keep in mind a full cost analysis ... [rather than] externalising costs into other things, so the environment pays but you don't... So sustainable for people and communities, sustainable for the earth and its resources; and I guess that carries on into the ideas of what a sustainable culture of life is, in terms of work, values, and ethics."</p>
The Good Water Company Limited	<p>"Well to me it has three measures: I guess ones economic, that's the obvious one; but the other one that we measure is environmental sustainability; and then also sustainable in terms of our contributions to the community. So there's a community element, there's an environmental element, and then there's a fiscal, financial element."</p>
Borderless Productions Limited	<p>"I'm of the view that sustainability is not just environmental sustainability, it's also social. In other words, how can cultures continue to live with their values and their traditions, family units and all those sorts of things from generation to generation? And then third, what has become the reality of our world today, but wasn't until only a few hundred years ago, is economic sustainability."</p>

The relevance of sustainable development in each entrepreneurial situation was expectedly nuanced, driven in large part by each entrepreneur’s individual motivations, views, and the challenges or issues they were directly addressing through business (See Table 7: Relevance of sustainable development). For Peoples Coffee, the pursuit of change was grounded primarily in the social sphere, in confronting the disparities and injustices of international trade in the coffee industry. For Good Water, the pursuit of change was grounded predominantly in the environmental sphere, challenging the incumbent mindset surrounding disposable petroleum-based plastic packaging. In addition, consistent with Rainy’s (2006) call for fundamental change in the underpinning business philosophies that brought us through the twentieth century, Good Water observed the need for a new model of doing business that included the integration of some form of community contribution. For Borderless Productions, the pursuit of change could be found in both the social and environmental spheres, inspiring and challenging audiences to take action towards a better world through their powerful command of film and media. In all cases, each entrepreneur observed the importance of economic sustainability, both as an enabler in their efforts and as a reality of the world today (discussed further in the next section: *Motivations and Business*).

Table 7: Relevance of sustainable development

Peoples Coffee Limited	“World trade is quite unfair and unequally weighted... What’s sustainable for the West is often offset onto the East and the rest of the developing world... I think that does get at sustainability on one level because it’s very easy for us to grow a business here without any relevance to what’s happening for those who are producing the primary products.”
The Good Water Company Limited	“I think there’s a need for a new model of doing business moving forward. And I think that any businesses to succeed long term, it needs to integrate it’s contribution into the community.” “I think all organisations need to really think carefully about what they’re doing in terms of focussing on delivering their services and products, it can’t just be about bottom line profit. I don’t think that’s good enough any more.”
Borderless Productions Limited	“Borderless was born out of a really strong desire to use film and media to create positive change in the world. And what that means is it could be used to inspire young people to go to university, or it could be as broad as helping alleviate poverty in certain parts of the world – we’re talking anything and everything.” “The whole concept of ‘Borderless’ is that despite there being countries, religions and ethnicities, there needn’t necessarily be borders, because humanity is essentially one thing.”

All three participants observed a level of deficiency in current efforts towards achieving sustainability as well as a need to do more (See Table 8: Perceived sufficiency of efforts in achieving sustainability) (Dyllick & Hockerts, 2002; MacNeill, 2006; Rechebacher, 2008). The rationale for such deficiency varied among cases with Borderless Productions observing, “as humans we’re always going to create a level of issues,” and Peoples Coffee attributing the deficiency in efforts in part to human tendencies such as tall poppy syndrome and risk evasion. Good Water highlighted that while there were great examples of small regional initiatives happening around the country, they did not exhibit the size and scale necessary in order to achieve any sizeable impact (MacNeill, 2006; Senge, 2008).

Table 8: Perceived sufficiency of efforts in achieving sustainability

Peoples Coffee Limited	<p>“Are we doing enough? I think we are responding to our natural tendencies of risk evasion a little bit.”</p> <p>“Maybe part of our small thinking in New Zealand and our tendency towards tall poppy syndrome mean that we can’t hunker down a little bit.”</p>
The Good Water Company Limited	<p>“[Do you think we could be doing more?] Yes I do... There are some really great examples of small regional initiatives that you never hear about. And I’m always inspired when I travel around the country and I hear about some of these local things, and they’re really encouraging. But there’s nothing grandiose in terms of a national contribution, or commitment.”</p>
Borderless Productions Limited	<p>“Well if there was enough being done, it would be solved wouldn’t it? So, the short answer is ‘No.’ But I know life isn’t just that simple... I think as humans we’re always going to create a level of issues... I think we’ve got a long way to go with certain aspects of poverty; there shouldn’t be children going to school without milk and shoes. And globally, there’s massive inequity; massive.”</p>

In line with Tolba’s (1998) assertion that achieving sustainability requires action on the part of us all, each of the entrepreneurs observed wide-ranging responsibilities in achieving sustainable development (See Table 9: Responsibilities in addressing the challenge of sustainable development). For Peoples Coffee, the notion of responsibility was relatively extensive falling within business, government and social spheres. Peoples Coffee observed that there were good examples of leadership occurring at the grassroots level, and that there also needed to be a synergy between business and government in addressing sustainable development in New Zealand. Echoing Karlsson’s (2007) principle of capacity to an extent, Good Water presented the philosophical perspective that “everyone should do what they can, where they are, with what they have.”

Borderless Productions were also patent in their view of responsibility observing that, “every human being, I think, should take some responsibility for the betterment of human kind, whichever way they do it.” Additionally implicit in each entrepreneurial situation was Karlsson’s (2007) principle of concern, where the entrepreneurs had taken on a level of responsibility for ‘others,’ or, “those who suffer the impacts of, for example, poverty or environmental degradation” (pg. 108).

Table 9: Responsibilities in addressing the challenge of sustainable development

Peoples Coffee Limited	<p>“I think at the society in general level there is some good leadership being taken by grassroots people.”</p> <p>“I think at a government level there needs to be a bit of a synergy – New Zealand isn’t completely run by the business sector and it’s not completely run by government.”</p>
The Good Water Company Limited	<p>“What I’ve said about that is that everyone should do what they can, where they are, with what they have. Because the issues are so big and so challenging that if you really get into it, it’s overwhelming, and then you’re just going to put your hands up and say, ‘It’s too hard.’”</p>
Borderless Productions Limited	<p>“I don’t think anyone has any greater responsibility than anyone else. I don’t think because you’ve got a million dollars in you bank account you should have more responsibility than a person with one dollar, because at the end of the day, every human being, I think, should take some responsibility for the betterment of human kind, whichever way they do it.”</p>

On the whole, all three entrepreneurs exhibited a sound understanding of sustainable development including the expressed relevance that the concept held in their own ventures. In addition, all three entrepreneurs put forward consistent views regarding an overarching deficiency in current efforts towards achieving sustainability and the sweeping responsibilities of ‘all’ in addressing this dearth. The next section discusses participant motivations, idealised outcomes, and the benefits of engaging business and market forces in pursuing positive change.

MOTIVATIONS AND BUSINESS

ENTREPRENEURIAL IMPETUS

As Roberts and Woods (2005) identify, social entrepreneurs stand apart in their motivation and purpose. What motivated the entrepreneurs in this research investigation was the desire to bring about change (Dees, 1998; Alvord, et al, 2004). Consistent with the recognition of opportunities amidst threat or tragedy (Brooks, 2009) and the desire to benefit society in some way (Elkington & Hartigan, 2008) all three entrepreneurs found motivation in addressing issues stemming from imperfect human situations such as iniquitous trade practices, environmental pollution, and heartbreaking poverty (See Table 10: Entrepreneurial impetus). In each case the entrepreneurs' initial motivations were marked by an expressed need for change. Over time, these motivations had not changed markedly, demonstrating an ongoing and in cases increasing commitment to their original goals.

For Peoples Coffee, the initial motivation could be found in the desire “to change the world through Fairtrade.” Over time, with the subsequent widespread uptake of Fairtrade coffee by other roasters, Peoples Coffee were re-examining their initial motivation, delving deeper into their focus on people and relationships. In the case of Good Water the initial motivation in their pursuit of change was the “revelation that there was no recycling.” Since the beginning Good Water's motivation had been fortified by the difficulties encountered in pursuing change, “the commitment that I've made to realising that initial vision has increased because it's been so damn tough.” For Borderless Productions, the initial motivation could be found in the “strong desire to use film and media to create positive change in the world,” encompassing everything from inspiring young people to helping alleviate poverty in certain parts of the world. While Borderless had maintained their commitment to their original vision, what had changed was in developing greater business acumen along the way, “the vision hasn't changed, but my approach has developed.”

Table 10: Entrepreneurial impetus

	Initial motivation	Change since the start
Peoples Coffee Limited	“I started off very small and idealistic, we wanted to change the world through Fairtrade. That was the only gain in my head.”	“Since then everyone’s done Fairtrade and the conscious New Zealand market has just mushroomed. So I’m left thinking, what is it really about our core DNA that actually means I’m still interested in doing what I’m doing? And I think it is coming back to probably stripping it back even more to the people and the relationships.”
The Good Water Company Limited	“The catalyst was the revelation that there was no recycling... I was just absolutely devastated, and that emotion was a real turning point for me... [I said] ‘This has got to change.’”	“That was the catalyst to get going and over the last three to four years, what’s changed is my commitment has increased.”
Borderless Productions Limited	“Borderless was born out of a really strong desire to use film and media to create positive change in the world. And what that means is it could be used to inspire young people to go to university, or it could be as broad as helping alleviate poverty in certain parts of the world – we’re talking anything and everything.”	“The vision hasn’t changed, but my approach has developed.” “Since I started I’ve learned a great deal about the business, and there are some fundamentals to survival, cash flow, planning, strategies and great people.”

IMAGINED IDEALS

Elkington and Hartigan (2008) contend that social entrepreneurs are not motivated by “doing the ‘deal’ but [in] achieving the ‘ideal’” (pg. 3). Investigating such idealised outcomes among the three entrepreneurs in this research revealed hypothetical scenarios ranging from achieving global reach to achieving new ways of living, thinking and behaving leading to the obsolescence of existing ways (See Table 11: Imagined ideals) (Elkington & Hartigan, 2008).

Both Peoples Coffee and Good Water expressed idealised worlds that reflected a level of industry transformation. For Peoples Coffee, the ideal outcome could be found in the complete reorientation of the coffee industry to a world where “everyone would start trading directly and communicating with buyers and actually being mindful of the conditions and the life of primary producers in poor countries, so that just becomes a natural way of doing business.” While Peoples Coffee observed that the industry was already transforming in part towards this ideal, with many roasters now offering Fairtrade

coffee, such an ideal was perceived as an ongoing challenge. Analogous to Easton’s (2007) contention that the state where human needs are met and personal and social growth accommodated will likely be a moving target that requires widespread artistry and vigilance to achieve, Peoples Coffee acknowledged the ongoing need to be a constant reminder themselves and other companies to continue to “keep it real.”

For Good Water, the ideal outcome could be found not only in accomplishing their original goals to make a bottle entirely from sustainable resources, in achieving a fully upcycled production framework in New Zealand, and in raising a million dollars for the Sir Peter Blake Trust, but also in the desire to “be a catalyst for change right across the industry.” The yardstick of excellence for Good Water would be in achieving their original goals and in compelling beverage companies to re-examine the rationale and thinking behind their use of disposable packaging, “If we can be a conscience to the industry that would be hugely satisfying.”

For Borderless Productions, the ideal outcome was equally inspired. Not focussed so much on a distinct issue as was the case for Peoples Coffee and Good Water, Borderless’ ideal outcome would see a truly global reach and presence. With the potential to reach millions, the idealistic future state for Borderless’ would be “making film and media that reaches not just those who have access to expensive televisions, but those who also need to be inspired and are in very poor situations.”

Table 11: Imagined ideals

Peoples Coffee Limited	“Everyone would start trading directly and communicating with buyers and actually being mindful of the conditions and the life of primary producers in poor countries, so that just becomes a natural way of doing business.”
The Good Water Company Limited	“That we achieve our goals. In our five-year timeframe we set the two goals... make it [water bottle] from sustainable resources, get it recycled in New Zealand.” “To be a catalyst for change right across the industry. And just forcing beverage companies to rethink their use of packaging... If we can be a conscience to the industry that would be hugely satisfying.”
Borderless Productions Limited	“Making film and media that reaches not just those who have access to expensive televisions, but those who also need to be inspired and are in very poor situations.”

BENEFITS OF BUSINESS

Established scholarship acknowledges the place of social entrepreneurship both within and between traditional not-for-profit and business sectors (Boyd et al, 2009; Clark & Ucak, 2006; Dees, 1998; Demirdjian, 2007; Roper & Cheney, 2005; Thompson, 2002). This research sought, in part, to investigate Hart's (2005a) contention that "business - more than either government or civil society - is uniquely equipped at this point in history to lead us towards a sustainable world in the years ahead" (pg. 3). More specifically, an understanding of the perceived advantages afforded to those social entrepreneurs that bridge the space between the traditional not-for-profit and traditional business models, operating in a space that Massetti (2008) calls the 'Tipping Point'. Literature identifies that the distinguishing feature of social entrepreneurs operating in this space is the motivation to utilise business and market forces as a means in solving the world's largest challenges (Boyd et al, 2009). Literature also identifies that the private sector may provide the social entrepreneur with advantages in regard to planning, profit, and innovation (Roper & Cheney, 2005). However, beyond this rhetoric there is limited understanding regarding the benefits of business to the social entrepreneur.

For the entrepreneurs in this research, business provided a number of important benefits ranging from financial stability to a degree of autonomy in pursuing change (See Table 12: The benefits of business). While the findings are generally unique to each case and do not exhibit any generalisability, they do begin to provide some understanding as to how business may present an advantageous platform for the social entrepreneur and its potential for the future.

For Peoples Coffee, business was "a great way of being at the coalface" in that it provided them with direct access to the core issues associated with iniquitous trade practices that they were attempting to address. It was also something that the world took seriously and understood, providing a common language amongst consumers and corporations alike. Also of value for Peoples Coffee was the realism, or the practical grounding, that business brought to their conceptualisations of fair trade and social justice.

For Good Water, business not only provided a way to “pay the bills,” but also provided a means to attest to the commercial viability of product stewardship, demonstrating the compatibility of ethical conduct and commercial sustainability in business. Business also provided Good Water with a degree of autonomy and control in pursuing their vision negating any need to compromise or react to capricious influences. For Borderless Productions, business was a technique and tool that when underpinned by the right intent could achieve “amazingly positive things.” Additionally, business had provided greater simplicity for Borderless in pursuing their vision, likely due to many of those aforementioned qualities and benefits.

Table 12: The benefits of business

	Benefits of business	Benefit typology
Peoples Coffee Limited	“Business is a great way of being at the coal face.”	<i>Access</i>
	“I feel that that’s something the world takes seriously.”	<i>Legitimacy</i>
	“It’s something that consumers and corporations all understand, that language.”	<i>Understanding</i>
	“I like the realism that the business world brings to my ideas about what fair trade and social justice might mean.”	<i>Realism</i>
The Good Water Company Limited	“The reality is that everything has to be commercially viable otherwise it’s got no longevity. Even a not-for-profit still has to pay the bills.”	<i>Longevity</i>
	“What we have to do, and I think it’s more inspired by being a business, is show that being ethical can be commercially sustainable.”	<i>Exemplar</i>
	“We don’t have to compromise, as much than say the government... We can just be quite one-eyed and actually say, ‘No, this is the way we’re going.’”	<i>Autonomy</i>
Borderless Productions Limited	“Business can do amazingly positive things... [Functionally it] is actually a very, very good technique, a tool I suppose.”	<i>Tool</i>
	“I guess we’ve taken the business model because it’s easier to be honest.”	<i>Simplicity</i>

Taken together with the powerful motivations and idealised outcomes of the social entrepreneurs in this research investigation, these findings suggest potential for wide-ranging benefits and advantages for those social entrepreneurs that employ market forces in confronting the world’s largest challenges (Boyd et al, 2009).

CHANGE AGENTS

THE NEED FOR CHANGE

History is littered with repeated calls for knowledge and action to address the challenge of sustainable development and the need to change course lest we meet with the calamitous end towards which mankind presently hurtles (MacNeill, 2006; Senge, 2008; Rechelbacher, 2008). Analysis of the motivations and imagined ideals of the entrepreneurs in this research investigation already reveals the perceived need for change to address a range of issues and challenges congruent with the concept of sustainable development. Additional perspectives offered by this research investigation assist in building a clearly understood case for change including the perceived sufficiency of industry efforts as well as the entrepreneurial orientations towards incremental and fundamental change.

SUFFICIENCY OF INDUSTRY EFFORTS

The entrepreneurs in this research investigation each held views that, to varying degrees, challenged the sufficiency of efforts within their respective industries in achieving sustainable development (See Table 13: Sufficiency of current industry efforts towards achieving sustainability). Peoples Coffee held the most positive view in regard to the sufficiency of industry efforts observing that good progress had been made within the New Zealand coffee industry. According to Peoples' this was in large part due to the efforts of Trade Aid who had championed the cause of Fairtrade since the 1970s and pioneered the way for change. While Fairtrade coffee continued to grow in New Zealand and abroad, and with more roasters traveling to origin to acquire firsthand knowledge and experience of the industry, Peoples' observed the entrenched positions and embedded behaviors of long-established roasters as somewhat problematic. For Peoples', this was a space in which more could be done, and where they could potentially invest more effort in affecting positive change.

Both Good Water and Borderless Productions were less inclined to bestow such positive views regarding the sufficiency of efforts in their respective industries towards achieving sustainability. Good Water identified that others in the industry were simply not doing enough, identifying that others in the beverage industry were too concerned with profit and as such would not change their ways until they could see a positive impact on their bottom line. This view resonated with Alexander’s (2007) contention of a systemic condition within contemporary markets that compels businesses not to pursue morally preferable initiatives if they believe such actions will conflict with profit maximisation, what Hart (2005a) describes as the Great Trade-Off Illusion. Similarly, Borderless Productions identified that others in their industry were too challenged with survival and as such were not doing enough. For Borderless Productions, film and media presented a powerful means in affecting change that others within the industry treated irresponsibly.

Table 13: Sufficiency of current industry efforts towards achieving sustainability

Peoples Coffee Limited	“I think in New Zealand we’re doing really well... But we still do have the old school importers who are bringing in the same product they always have and are attracting and sometimes financing smaller roasters to get into roasting, and they’re not willing to move. They’re entrenched in their position.”
The Good Water Company Limited	“No, and they won’t until they can see the impact on the bottom line. That’s pretty much it. When you’re dealing with a huge multinational company that’s very bottom line focused, adding value to shareholders, that’s their primary KPI.”
Borderless Productions Limited	“No, not at all. I think that they’re too challenged with survival. It’s probably one of the most powerful mediums, next to the Prime Minister’s role, and they are so irresponsible.”

INCREMENTAL, FUNDAMENTAL, AND COMPOSITE CHANGE

The literature identifies that incremental change is insufficient in meeting sustainable development pressures (Dunphy et al, 2007; Hall & Vredenburg, 2003) and as such calls for fundamental transformations in the ways in which we live, think and behave (Dunphy et al, 2007; Rainy, 2006; Rechelbacher, 2008; Skoll, 2006). Interestingly, the entrepreneurs in this research all observed a need for both incremental and fundamental change, which for the purposes of this research when taken together will be identified as ‘composite change’ (See Table 14: Incremental, fundamental, and composite change).

For the entrepreneurs in this research investigation, incremental change provided for momentum, endurance, depth, and acceptance in affecting change. It also held potential in achieving critical mass and as a consequence held promise in transforming society. From a practical perspective, Peoples Coffee observed small was sometimes the only way to start and get traction. From the perspective of the scale of investment required to operate within industries such as coffee roasting, starting small was often the only practicable option. For Peoples Coffee, incremental change was also more likely to produce lasting change as opposed to fads that were often unable to achieve any lasting impact. Drawing on their experience of the development of the Fairtrade market within New Zealand, Peoples Coffee observed the benefit of incremental change in its capacity to build depth, momentum and endurance in achieving change. From the perspective of acceptance and tolerance of change, Good Water observed the benefit that industry and the public will more often willingly accept incremental change as opposed to fundamental change. Good Water also provided the point of view that there were often “stepping-stones,” to achieving perfection and that you shouldn’t “let perfect get in the way of better.” Borderless Productions also observed the capacity of incremental steps in achieving lasting change, identifying that the cumulative effects of incremental changes had the potential to reach a critical mass capable of transforming society.

However, the role of change for the entrepreneurs in this research was not limited to merely incremental. Representing fundamentally different approaches to business, the entrepreneurs in this research also each observed a need for fundamental change in the ways in which we live, think and behave. Peoples Coffee identified the role of fundamental change describing the need for “prophets” who were bold enough to critique the status quo and confront clearly flawed circumstances where no one else was willing or able. Peoples Coffee exhibited a degree of fundamental, or prophetic, behaviour in confronting iniquitous international trade practices and calling for change. For Good Water, the role of fundamental change could be found in the expressed need for a paradigm shift around the consumer perception of waste. The need for such a fundamental change in consumer perception was mission critical and something they were looking to leverage through a new bottle redemption scheme. Similar to Peoples

Coffee's articulation of the need for "prophets" Borderless Productions identified that some transformative change was needed, drawing attention to the election and appointment of Barack Obama as a transformational experience for America and the world. For Borderless, fundamental change was crucial in propelling humanity in new directions when stalled or stagnating.

For the social entrepreneurs in this research, achieving change towards a more sustainable world held merit across both incremental and fundamental forms, it wasn't a matter of one or the other so much as a combination of both. An incremental approach to change was capable of providing momentum, endurance, depth and acceptance in achieving change. Additionally, the ability to achieve critical mass through the expansive assimilation of incremental change into existing social structures could lead to social transformation. A fundamental approach to change served to confront those more pressing and challenging issues, was also seen as a necessary element in shifting social paradigms and could provide the necessary impetus in setting broad new directions for humanity.

Table 14: Incremental, fundamental, and composite change

Incremental Change	Fundamental Change	Composite Change
Peoples Coffee Limited		
<p>"I think small is sometimes the only way you start, and the only way you get traction."</p> <p>"Like we've seen with Fairtrade in New Zealand, initially it was this slow little grinding caterpillar. And then some momentum picked up behind it and was really able to survive quite well because there was some depth to it."</p> <p>"I think lasting change is good, that it's incremental, I think it's more sustainable when it's like that."</p>	<p>"I think we need the prophets as well, who call a spade a spade and say, 'the emperors got no clothes on.' Who critique heavily and say, 'we need wholesale revamp.'"</p> <p>"I think that Peoples Coffee has some prophetic elements to it around that international trade needs to change."</p>	<p>"The more I go along I think life is more both. I do think we need the prophets who can name and sometimes shame the big beast that we're getting completely wrong, and at the same time, the pioneers who scratch away."</p>
The Good Water Company Limited		
<p>"I don't think that industry would accept a fundamental change easily, and I think incremental change is going to be more palatable to the public as well."</p> <p>"Don't let perfect get in the way of better... there's perfection... but there's stepping stones to getting there."</p>	<p>"But there's one thing that needs to change quite radically, and it's a paradigm shift, and it's this: that we need to change consumer perception of waste."</p> <p>"That would be the only fundamental change that I think we could achieve which is quite significant."</p>	<p>"I think it's a bit of both really."</p>
Borderless Productions Limited		
<p>"There's that whole critical mass thing... If enough of us throw our plastic bottles into the recycling bin, then over time that creates a critical mass, which then transforms society. Culture is built that way."</p>	<p>"I think we need some transformative change. And I think somebody like Obama, for example, the election and his appointment has probably in itself been somewhat of a transformational experience for America and the world. So, certain things like that can move us in certain directions."</p>	<p>"It's a bit of both maybe. There are the leaders and then there are the grass roots movements."</p>

ACHIEVING CHANGE

Among the defining characteristics of social entrepreneurship, it is the promise found in the capacity of social entrepreneurs to inspire and achieve fundamental changes in the ways in which we live, think, and behave that captures much discerning scholarly attention (Alvord et al, 2004; Dees, 1998; Drayton, 2002; Roberts & Woods, 2005; Skoll, 2006). Social entrepreneurs are described as possessing the requisite capacity to achieve

fundamental changes in the way or manner in which things are done (Dees, 1998), and as adept in recognising when a part of society is stuck and deploying powerful, innovative, system change ideas to get it unstuck (Drayton, 2002). Alvord et al (2004) describe that the test of social entrepreneurship lies in the ability to achieve change within those systems that create and maintain the issues or problems of concern. Lastly, Elkington and Hartigan (2008) contend that social entrepreneurs seek to influence “government policy, market rules, the educational system, or whatever else they think it will take to reach their objectives” (pg. 157).

The key to achieving such change can be found in the characteristic of innovation (Bornstein, 2007; Dees, 1998; Roper & Cheney, 2005; Thompson & Doherty, 2006). Examining what it was that made the entrepreneurs in this research different from others in their industry revealed distinctive approaches to business and problem solving grounded in new technologies, philosophies, products, processes, and visions for a better future (See Table 15: Innovative orientations). In addition to being the first coffee roaster in New Zealand to commit to one hundred percent certified Fairtrade beans, Peoples Coffee observed that where they differed markedly to others in the industry could be observed in their unwavering commitment to the coffee growers and the relationships they shared. Peoples Coffee identified that such was the significance of this focus and their absolute commitment to it that they would not compromise on it, potentially to the point of going under. While the technological innovations behind Good Water’s space-saving biopolymer bottle were groundbreaking within the New Zealand beverage industry and around the world, what set Good Water apart from others in their industry was their pursuit of a world first in profitable cradle-to-cradle product stewardship. Representing a new and novel approach to film and media, Borderless Productions observed that where they differed noticeably to others in their industry could be seen in the type of work they undertook as well as the ways in which they followed through on their projects. Of note were Borderless Productions documentary films that were often accompanied by social ventures and campaigns deployed in order to advance the work of their films in affecting positive change.

An additional perspective on the innovative orientations of the entrepreneurs in this research investigation could be found in the correlation of progress with the human capacity for unreasonableness. Elkington and Hartigan (2008) describe the innovative tendencies of social entrepreneurs in bringing about progress and change as rooted in unreason. In line with Elkington and Hartigan’s (2008) contention, all three entrepreneurs in this research investigation observed and granted a degree of unreason in their pursuit of change. Peoples Coffee agreed they were unreasonable in the sense that they believed the world needed to change, and Good Water agreed that progress depended on the unreasonable man. Borderless Productions also agreed with the notion of unreasonableness, pointing out that new ways relied on one person having had first blazed a trail.

Table 15: Innovative orientations

Peoples Coffee Limited	<p>“There’s been a number of other Fairtrade companies, but I don’t think in New Zealand there’s anyone quite like us who have done the people focussed thing.”</p> <p>“I think when we get down to it, our reason for being is still about the growers, and I think that’s a fundamental thing that we wouldn’t compromise on, potentially to the point of going under. And that might be quite different to a number of people.”</p>
The Good Water Company	<p>“New Zealanders are renowned as innovators.”</p> <p>“Imagine if we can do the right thing, be ethical, contribute to the community, take responsibility for that product, and make money.”</p> <p>“I think that here in New Zealand we could be the first in the world to actually upcycle post-consumer packaging ethically and commercially viably, that’s a global story.”</p>
Borderless Productions	<p>“The way that we’re different is probably seen by the kind of work that we do, and then how we follow up our work... Our journey is only half way when we complete a film; I think that’s what makes us really different.”</p> <p>“I totally agree... I’m not totally unreasonable... I just think if you can’t get something a certain way, make it up. Make up another way. There are always many ways to solve a challenge. We know what we know only because someone has already made it up...so if you need a new way, make it up... It’s that kind of inventiveness that needs to exist.”</p>

ORIENTATIONS TOWARDS AFFECTING CHANGE

Examining the integrated attitudes and beliefs of the three entrepreneurs in this research towards affecting change revealed, to differing degrees, perceived abilities and intent in achieving change spanning a range of social systems (See Table 16: Orientations towards affecting change). Of interest to this investigation were the perceived abilities held by

participants in achieving changes in the ways in which we live, think, and behave within business/industry, society at large, and the global arena.

In regard to industry, Peoples Coffee expressed the desire to see their industry transforming and identified their ability in influencing the younger generation of business owners that were sick of the ‘old school.’ In due course, amid the natural attrition and departure of key players and participants within the industry through retirement, failure or other means, such influence on the new and next generations of coffee businesses held potential in achieving a marked change within the industry. In regard to the ability of affecting change within the beverage industry, Good Water believed that if they could set some principles underpinned by a successful product stewardship model that demonstrated both ethical and commercial viability then perhaps other industry participants could be encouraged to abide by them. In the case of Borderless Productions, while they had not specifically set about affecting change within their industry, in part reflecting their primary orientation to issues outside of their industry such as poverty, they conceded that it was possible. Borderless observed that there were a lot of people within the film and media industry who were genuinely interested in doing ‘good things’ and some that were already starting to exhibit a reorientation in their underpinning business philosophies analogous to Borderless. Similar to Good Water, Borderless considered that with success would come greater influence upon the behaviour and conduct of other industry participants.

In regard to influencing the ways in which people live, think, and behave, all three entrepreneurs expressed belief in their abilities in affecting positive change within the social sphere. Of note, were the expressed roles taken by the entrepreneurs in education and in raising awareness towards affecting positive change. Such was the significance of this particular theme across all three cases, and it’s recurrence across a range of conversations that this subject is treated to a more detailed discussion in the following section ‘Education and Awareness’. For Peoples Coffee, achieving change within the social sphere through information dissemination, education, and narrative was an important part of the business. In the case of Good Water, affecting change within the social sphere was also grounded in education and awareness where a distinct relationship

between knowledge and action was identified. Similarly, Borderless provided experience, awareness and insight through film and media observing that the ways in which people live, think and behave was influenced by multiple sources, “everything we see, read, and experience.”

The entrepreneurs in this research investigation held mixed views around the ability and intent of achieving change at a global level. While Peoples Coffee had not held great size ambitions, they did not discount the possibility of affecting change at a global level. Reflecting the dogged determination that is characteristic of social entrepreneurs (Elkington & Hartigan, 2008) Peoples Coffee was of the view that you shouldn’t “ever really limit the possibility that a small group of people can make a real change.” Of a perceived ability in affecting change at a global level, Good Water admitted that it was a possibility. With the potential to represent a world first in successfully upcycling post-consumer packaging, Good Water believed that their story could inspire change globally. Most notably of the three entrepreneurs was Borderless Productions who exhibited a strong global orientation towards affecting positive change through their expressed belief and intent to “help those living in Africa, Asia, and New Zealand.”

Table 16: Orientations towards affecting change

<i>Industry orientation towards affecting change</i>	
Peoples Coffee Limited	<p>"I think on the one hand, yes... I think I have a number of influencing things on that younger generation of coffee business owners who are actually sick of the old school."</p> <p>"We want to see the rest of the industry transforming."</p>
The Good Water Company Limited	<p>"Yes I do, and I'd like to. But I don't believe in rules, I believe in principles, so I think we can set some principles and then encourage people to abide by them."</p> <p>"We think there's a better way."</p>
Borderless Productions Limited	<p>"It's not my goal... [But] I suppose it's possible, the more successful Borderless is, the more people will look to it as a model, and I guess it would set an example and therefore would influence their behaviour. Sure, it could take a leadership position in that respect."</p>
<i>Society orientation towards affecting change</i>	
Peoples Coffee Limited	<p>"Yes, I definitely think so."</p>
The Good Water Company Limited	<p>"Yes, and how? By just sharing what we've learned, and what we know."</p>
Borderless Productions Limited	<p>"Yes. It's not just me alone; it's everything that affects us... Everything we see, read, experience in our life."</p>
<i>Global orientation towards affecting change</i>	
Peoples Coffee Limited	<p>"I haven't had great size ambitions and things like that... I don't think you should ever really limit the possibility that a small group of people can make a real change."</p>
The Good Water Company Limited	<p>"Possibly, to a lesser degree, but I think that's possible."</p> <p>"We could be the first in the world to actually upcycle post-consumer packaging ethically and commercially viably, that's a global story. That's got to be inspirational to someone around the world, surely."</p>
Borderless Productions Limited	<p>"I think I have a responsibility to help those living in Africa, Asia, and New Zealand. And I will do that."</p>

The orientations towards affecting change exhibited by the entrepreneurs in this research investigation helps to reinforce the assertions within the field of literature regarding the intent and ability of social entrepreneurship in achieving changes in the ways in which we live, think, and behave, particularly in the social sphere (Alvord et al, 2004; Dees, 1998; Drayton, 2002; Roberts & Woods, 2005; Skoll, 2006).

EDUCATION AND AWARENESS

The literature identifies that fundamental change is grounded in new ways of thinking and reasoning (Elkington & Hartigan, 2008; Senge, 2008). It is even argued that much of our future may depend on the ability of social entrepreneurs in “spreading their apparently unhinged ideas and business models” (Elkington & Hartigan, 2008, pg. xi) to bring about change. For the social entrepreneurs in this research, such ability could be found in the articulation of roles taken as educators and storytellers in raising awareness of issues and affecting change within social and economic systems (See Table 17: Expressed roles in education and raising awareness). Expressed roles taken in education and in raising awareness were a significant finding of this research that holds relevance in addressing the challenge of sustainable development. As Garrett Hardin (1968) pointed out more than forty years ago in his pivotal essay, *The Tragedy of the Commons*, “education can counteract the natural tendency to do the wrong thing,” however, “the inexorable succession of generations requires that the basis for this knowledge be constantly refreshed” (pg. 1245).

As much as Peoples were in the business of Fairtrade coffee, they were equally in the business of advocacy, where narrative and story presented a mechanism in pursuing positive change within the coffee industry. For Peoples Coffee, sharing their experiences, information and knowledge with others regarding the coffee industry and Fairtrade had been a principle role of the business since the start and was something they were looking to build upon. Peoples’ expressed the aspiration to develop a more formal program that would broaden their reach and impact, “that means we become a pot of experience, information, and knowledge that people can actually draw from... we actually want to make that accessible to the wider public, to schools, groups and to people like that.” For Peoples Coffee, narrative and story could kindle changes in the ways we live, think, and behave (Skoll, 2006), “People get inspired about doing things differently... It totally changes their attitude towards what they’re buying.”

Similarly for Good Water, the role taken in educating, informing, and raising awareness of issues associated with disposable plastic packaging in both the public and the beverage

industry was central to the business. In Good Water's view, the value of such an advocacy role was twofold, both "as a role model for the rest of the industry, and also as a source of information to the general public." For Good Water, education was not only a significant mechanism in counteracting the widespread misinformation present within the public, but was also a necessary precursor to action, "we need to educate people... so that they're motivated into action."

Not surprisingly, the foundation and strength of Borderless Productions could be found in storytelling. Film and media were a means of raising awareness and understanding of issues, triumphs, and tragedies on both local and global stages, serving to educate, inform, and inspire audiences around the world towards creating positive change. For Borderless Productions, the capacity to provide the public with direct access and insight to issues, often worlds far removed from our own, was especially pertinent in achieving positive change. For Borderless, the immersive experience provided by film, such as that provided by *A Grandmother's Tribe*, could bring about the understanding and awareness necessary to achieve changes in the ways we live, think and behave towards the issues or situation brought to light by the film. For Borderless Productions, it was about showing the world for what it really was, "our role is to help people become more aware," and identifying how people could take action, "we're not going to go and identify an issue or person without providing our viewers with a reason why they should care and help, a solution essentially."

Table 17: Expressed roles in education and raising awareness

<i>Peoples Coffee Limited</i>	
Quotation	Roles
<p>"From the outset I've done quite a lot of talks to schools, a lot of youth groups and various interest groups about Fairtrade."</p> <p>"While being in the industry and profiting by the industry we want to educate customers as to what's really happening."</p> <p>"Being storytellers about the other side of the world... we think that that's a really important part of our company is this education, storytelling side of it."</p> <p>"We've been talking about bringing narrative and story into our business more than we have in the past."</p> <p>"We do want to come in with a bit more depth, and actually a bit more of a program. That means we become a bit of a pot of experience, information, and knowledge that people can actually draw from."</p>	<p><i>Education, information source and storytelling</i></p>
<i>The Good Water Company Limited</i>	
Quotation	Roles
<p>"I think the intangible value in my mind is greater in terms of what we're doing as a role model for the rest of the industry, and also as a source of information to the general public."</p> <p>"The opportunity to help educate young Kiwis about how to care for the environment is a really good fit."</p> <p>"I'm really enjoying and inspired by the opportunity to go out and talk about this project and other things."</p> <p>"But this is what gets out into the public [misinformation] and so you constantly have to educate people."</p> <p>"[Do you believe you have any ability to change the ways in which people live, think, and behave?] Yes, and how? By just sharing what we've learned, and what we know... We need to educate people about that so that they're motivated into action."</p>	<p><i>Education, information source and role model</i></p>
<i>Borderless Productions Limited</i>	
Quotation	Roles
<p>"At the very basic level, we tell stories that you may not have ever seen, nor heard about if we didn't do it. So we're giving you insight... Sometimes its just inspiring people."</p> <p>"A one hour film that takes you into Africa, that's a place most of us wouldn't necessarily go, gives you a one hour experience of what it's like to live there. And if you can understand that, you may have some empathy for the Somalian that you meet in Mount Roskill tomorrow."</p> <p>"I guess our role is to help people become more aware."</p>	<p><i>Storytelling and awareness</i></p>

The consistently reported roles taken in education and in raising awareness towards affecting positive change were an unexpected finding within this research investigation that provide a new perspective for examining the role of social entrepreneurship in sustainable development. To the end that education and awareness provide a powerful means of achieving change, this is a topic that surely warrants further detailed exploration.

UNDERSTANDING IMPACT

Literature identifies that social entrepreneurship is an effective mechanism in the creation of new value, or capital, across economic, social, and environmental spheres (Murphy & Coombes, 2009; Thompson & Doherty, 2006). From a pragmatic perspective, this research investigation sought to examine how entrepreneurs measured, captured, or understood the impact of their efforts. While the backgrounds and remarkable ventures of the entrepreneurs involved in this research are able to explicate a good deal on this subject, the expressed understandings on ‘value creation’ and ‘making a difference’ add useful insight to our understanding of social entrepreneurial impact, particularly with regard to tangible and intangible impact.

From a tangible perspective, Peoples Coffee observed a range of ways in which they created value and had made a difference. Intrinsic to Peoples Coffee was their contribution in ensuring that certified Fairtrade cooperatives received premium and stable prices for their produce through ongoing purchasing agreements, enabling greater financial welfare and general wellbeing for producers as well as investment in local projects, for example, schooling and health. Locally, Peoples’ espresso bars provided for a “connection with the world,” enabling “positive spaces for community interaction.” Peoples Coffee also supported the local Newtown community through the sponsorship of crèches, bands, schools and other groups. What was interesting was that Peoples viewed such giving back to the community as a normal part of business, “I think that’s what any local business should do anyway, so it’s sort of nothing special.” From an intangible perspective were the roles taken in education, storytelling and information dissemination

that together embodied a significant part of the value proposition of the business and means in achieving change. Peoples Coffee not only reflected on the provision of present value but also identified an orientation to future value in the expressed desire to assist in the incubation of other Fairtrade business ideas and in building upon the education and storytelling side of their business.

For Good Water, the creation of value and the ways in which they made a difference were again many and varied. From a tangible perspective, Good Water provided a functional product that provided value to consumers through the hydration it provided. The product was also of value from an environmental perspective exhibiting a near complete environmentally benign footprint. However, of most significance for Good Water was the intangible value they were able to create not only as a role model to the industry but also as a source of information to the general public. For Good Water this was one of the primary things they contributed. While Good Water acknowledged that the intangible value derived through engaging in a particular type of behaviour or activity presented difficulties with regard to measurement, they maintained a positive view of the value they created and the difference they were able to achieve. Good Water believed they had made a significant difference since the start based on the positive feedback they received.

The value and difference derived through the efforts of Borderless Productions was also both tangible and intangible in nature. From a tangible perspective, Borderless Productions observed that some of their projects had literally helped people out of poverty. For example, Borderless had facilitated the collection of more than one hundred and fifty thousand dollars to build homes for sub-Saharan grandmothers. However, the value of those intangible aspects of Borderless' films and videos such as providing insight and inspiration were less measurable. Despite this, Borderless Productions identified that they didn't feel a need to prove themselves, and that they were satisfied with 'feeling' that their efforts had achieved positive outcomes.

SUMMARY

There are an abundance of ideas and discussions contained within the data collected in this research investigation, such that we are possibly left with more new questions than those that this research originally embarked on exploring. Nonetheless, the findings begin to shape our view of the distinctive role that private sector social entrepreneurship plays in sustainable development in New Zealand and more generally how the two phenomena are related. The principle findings of this research investigation are summarised in the following paragraphs.

The literature is clear that much remains to be examined and explored regarding the relationships that exist between social entrepreneurship and sustainable development. This research provides new insight into the ways in which the phenomena are related, specifically new understanding of the ways in which social entrepreneurs conceptualise sustainable development and how these views relate to established scholarship on sustainable development. The ideologies underpinning each entrepreneurial situation in this research demonstrated a comfortable alignment with the premises of sustainable development, particularly in the need for “a sound environment, a just society and a healthy economy” (Dunphy et al, 2000, pg. 22). In each case the entrepreneurs observed sustainable development from largely pluralistic viewpoints, with environmental, social, and economic aspects articulated (Schlange, 2007; Sneddon et al, 2006). While the orientations towards intergenerational equity were less explicit, they were implicitly present nonetheless. The relevance of sustainable development in each case was expectedly nuanced, related specifically to the unique motivations and philosophies of the entrepreneurs and the challenges or issues they were directly addressing through business. Together the entrepreneurs observed a general level of deficiency in current efforts towards achieving sustainability and expressed the view that more needed to be done. In line with Tolba’s (1998) assertion that achieving sustainability requires action on the part of us all, the entrepreneurs considered the responsibilities of achieving sustainable development lay not with a few, but with many, ranging from business, to government, and civil society.

This research also examined the motivations held by the social entrepreneurs and the benefits afforded them by business. Consistent with the literature regarding the recognition of opportunities amidst threat or tragedy (Brooks, 2009) and the desire to benefit society in some way (Elkington & Hartigan, 2008), all three social entrepreneurs found motivation in addressing issues stemming from imperfect human situations. What's more, the social entrepreneurs in this research revealed hypothetical ideal outcomes ranging from achieving global reach to achieving new ways of living, thinking, and behaving that would lead to the obsolescence of existing ways (Elkington & Hartigan, 2008). The findings of this research also support and expand upon the premises within the literature that business may offer the social entrepreneur an advantageous platform in achieving change (Roper & Cheney, 2005). This research indicates that business may provide the social entrepreneur with a number of significant benefits ranging from the provision of access to issues to granting a greater degree of autonomy in pursuing change.

The literature reveals a great deal of hope in social entrepreneurship in catalysing changes in the ways in which we live, think and behave. This research not only substantiates the social entrepreneurial proclivity and ability in affecting change as reported within the literature, it also expands and builds on this understanding.

In elucidating the impetus for change, the entrepreneurs each held views that challenged the sufficiency of efforts within their respective industries and identified the need to do more. The literature argues that incremental changes are insufficient in meeting sustainable development pressures (Dunphy et al, 2007; Hall & Vredenburg, 2003), instead calling for fundamental transformations and revolutionary change (Dunphy et al, 2007; Rainy, 2006; Rechelbacher, 2008; Skoll, 2006). Deviating somewhat from this view, the social entrepreneurs each observed that achieving change towards a more sustainable world held merit across both incremental and fundamental forms. While the entrepreneurs each agreed with the need and place for fundamental change, they also observed that incremental change was able to provide for momentum, endurance, depth, and acceptance in affecting change and interestingly, even achieve fundamental

transformations through the attainment of critical mass.

Consistent with the literature was the social entrepreneurial impetus to affect positive change (Alvord et al, 2004; Dees, 1998; Elkington & Hartigan, 2008; Hartigan, 2006; Roberts & Woods, 2005). The overarching attitudes and beliefs of the social entrepreneurs towards affecting change revealed, to varying degrees, both perceived abilities and intent in achieving change and across natural and social systems. Also consistent with the literature were the social entrepreneurial orientations towards innovation (Bornstein, 2007; Dees, 1998; Roper & Cheney, 2005; Thompson & Doherty, 2006). The social entrepreneurs in this research investigation differed from others in their industry in a number of ways, particularly in their distinctive approaches to business and problem solving grounded in new technologies, philosophies, products, processes and visions for a better future. The literature also identifies that achieving change is grounded in new ways of thinking and reasoning (Elkington & Hartigan, 2008; Senge, 2008). It is even argued that much of our future may depend on the ability of social entrepreneurs in “spreading their apparently unhinged ideas and business models” (Elkington & Hartigan, 2008, pg. xi). In line with these assertions, but of a nature that builds and adds to our understanding in an entirely new way, were the consistently reported roles taken in education and in raising awareness towards affecting positive change.

Lastly, and largely consistent with the literature, were the expressed understandings of the value, benefit, and difference created through existence by the entrepreneurs. Where these findings differed somewhat to the literature, however, was in the articulation of tangible and intangible outcomes. The findings of this research suggest that greater value may be found in the more immeasurable and intangible elements associated with the participants and their ventures, such as education, awareness, insight, motivation and inspiration.

The next chapter concludes this research investigation with closing remarks including the implications for academia, business, and policy-makers as well as a final thought.

CHAPTER VI: CONCLUDING STATEMENTS

A CONTRIBUTION TO KNOWLEDGE

The intention of this research was to investigate the role of private sector social entrepreneurship in sustainable development in New Zealand. On the basis of the cases and analyses that have been presented, it is contended that social entrepreneurship plays a significant role in the process of sustainable development not only in New Zealand, but also abroad.

The roles that social entrepreneurs take can be described in many ways. Among other things, social entrepreneurs are leaders, ambassadors, humanitarians, campaigners, philanthropists, environmentalists and innovators. However, there is one role that stands apart from all the rest in this research, embodying the quintessence of the social entrepreneurial spirit: Social entrepreneurs are change agents. Residing at the innovative frontiers of human endeavour, the social entrepreneurs in this research investigation were deploying powerful new technologies, philosophies, products, processes and visions for a better world in order to affect positive change.

As a contribution to knowledge this research provides new insight into the ways in which social entrepreneurship and sustainable development are related, specifically new understanding of the ways in which social entrepreneurs conceptualise sustainable development and how these views relate to established scholarship. This research also expands upon the premise within the literature that business may offer the social entrepreneur an advantageous platform in achieving change (Roper & Cheney, 2005) through the identification of new benefits. Deviating from the view that incremental changes are insufficient in meeting sustainable development pressures, this research suggests that achieving change towards a more sustainable world holds merit across both incremental and fundamental forms. This research also offers a new way of understanding the assertion that change is grounded in new ways of thinking and reasoning, through the emphasis on roles taken in education and in raising awareness towards affecting positive change. Lastly, this research suggests that greater value may be

derived through the intangible elements associated with the participants and their ventures, such as education, awareness, insight, motivation and inspiration.

NEW QUESTIONS FOR SCHOLARLY INQUIRY

While this research provides new understanding with regard to our understanding of the role of private sector social entrepreneurship in sustainable development in New Zealand, it also highlights areas that would benefit from additional scholarly exploration to broaden this understanding. As such, this research proposes a need for further exploration and examination in the following areas:

1. What more can we learn about the benefits and advantages of the use of business and market forces by social entrepreneurs in bringing about change?
2. In what other ways might the social entrepreneurial propensity for educating and raising awareness of issues be leveraged to affect greater change?
3. How effective is the social entrepreneur in achieving changes in the ways we live, think, and behave compared to regulatory instruments or other means?
4. What more can we learn about the integration and effectiveness of incremental and fundamental approaches to change, e.g. what circumstances or scenarios favour an incremental approach as opposed to fundamental and vice versa?

THE CHANGING FACE OF BUSINESS

From a business perspective, this research identifies new opportunities and threats within the business environment. The challenge of sustainable development will continue to create new market opportunities of a nature that will favour the social entrepreneur given their predisposition towards recognising opportunities amidst threat or tragedy. The social entrepreneurial proclivity for innovation will continue to agitate, disrupt, and in cases revolutionise industries through the introduction of new technologies, philosophies, products, processes and visions for a better world. Such innovative tendencies hold potential in unseating powerful incumbent firms or destroying them completely through Schumpeter's (1987) creative destruction of industries.

The moral imperative of business is also changing. It is no longer sufficient to simply ‘do no harm,’ rather business must be seen to ‘do some good.’ Gone are the days where value was simply a matter of maximising dollars and cents. The proven performance of sustainability indexes, such as the DJSI, attests not only to the changing needs and beliefs of investors and consumers, but also to the compatibility and complementarity of environmental, social, and economic value creation. The social entrepreneurs in this research quash the notion that being ethical means forfeiting economic wealth. Instead they demonstrate new business models and philosophies grounded in the creation of value across environmental, social, and economic spheres.

The changing moral imperative of business has also contributed to the increasing prevalence of hybrid organisational forms that bridge the space between traditional business and traditional not-for-profit models (Boyd et al, 2009; Dees, 1998; Massetti, 2008; Roper & Cheney, 2005). For-profit organisations are increasingly incorporating greater moral and philanthropic standards into their business models and not-for-profits are increasingly deploying commercial ventures to recover costs and fund their transformational activities (Hartigan, 2006).

Such is the changing face of business, that companies that choose to ignore, or fail to keep abreast of shifting social expectations, competitive landscapes, and evolving technologies, philosophies, products, and processes, do so at their own peril.

NEW POLICY PERSPECTIVES

From a policy perspective, this research raises a number of implications and opportunities that call for the careful thought and consideration of government. For example, government faces many complex challenges associated with sustainable development at global, national and local levels that are not easily solved in isolation. However, many of these challenges could be addressed in part or in whole through the power of social entrepreneurship. Social entrepreneurs are capable of acting in ways that government cannot. They do not need the sanction of popular public opinion in order to pursue a

particular course of action making them a valuable instrument in bringing about desired changes. What's more, the discretionary freedoms, and ability to mobilise resources, characteristic of the social entrepreneur, may grant them greater ability to respond to emergent issues, threats, or challenges compared to government.

Where governments are subject to geographic and political boundaries, social entrepreneurs have greater ability to operate and affect change across them. This may be particularly useful when government has an interest in addressing wider issues that extend beyond their own geographic and political influences. In terms of efficiencies and effectiveness, collaborative relationships between governmental bodies and social entrepreneurs may offer opportunities to leverage public and private resources in order to deliver greater value and positive outcomes towards achieving sustainable development. As such, it is in the interest of government to acknowledge the significance of social entrepreneurship in New Zealand and take steps to support these remarkable people and their groundbreaking ventures.

A way in which the government could support these social entrepreneurs would be through the provision of financial assistance. While they are generally self-sufficient and profitable they often lack sufficient financial resources to support greater scale. While it is acknowledged that some social entrepreneurs would not benefit from a substantial financial injection, there is much that could be gained through the careful and considered application of financial support on a case-by-case basis. Such financial support could be achieved through an annual contestable fund available exclusively to social entrepreneurs to support functional areas of their ventures and specific projects, additionally tax incentives and other mechanisms could provide the social entrepreneur with more money in the pocket to invest and deploy at their discretion.

A FINAL WORD

The author C.S. Lewis once said, "What you see and hear depends a good deal on where you are standing; it also depends on what kind of a person you are." Whether we choose to capitulate in the face of the immense challenges faced by humanity, or confront them

with the belief that there is a better way is a consequence of personal perspective. The social entrepreneurs in this research investigation held visions for a better world and were taking steps, leaps and bounds in working towards achieving positive changes in the ways we live, think, and behave. Together we should stand to applaud and support their efforts on behalf of all humanity.

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APPENDICES

APPENDIX ONE – INTERVIEW SCHEDULE

Participant:

Location:

Time & date:

Sustainable development

Statement to participant: “For the purposes of this research, following established scholarship within the field my research uses the terms ‘sustainability’ as reference to the goal or endpoint of the process of ‘sustainable development’. Both are used within the context of this interview.”

1. What do you know about sustainable development? Describe what the concept means to you?
2. What relevance, if any, does sustainable development have for you and your business?
3. In terms of a broad definitional agreement going forward, do you agree with the following:

The Brundtland definition of sustainable development articulates sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”, in the context of the Brundtland definition ‘needs’ can be said to encompass ‘a sound environment, a just society, and a healthy economy’”.

The following questions seek your views within a New Zealand context but also allow for you to comment within a global context.

4. What do you think are the key sustainable development pressures and issues, for New Zealand? Globally?
5. Do you consider New Zealand relatively isolated or deeply interconnected with global pressures and issues? (*Environmental, social, economic*).
6. Do you think that enough is currently being done to address sustainable development pressures and issues within New Zealand? Globally?
7. What do you think are the key challenges in achieving sustainability in New Zealand? Globally?
 - a. What do you think it will take to overcome these challenges?
8. Who do you believe should take responsibility for addressing sustainable development pressures, or issues?
 - a. Do some people have a greater responsibility than others?

Questions relating to participant motivation and their businesses

9. Describe the initial motivation for _____ and how you got started?
 - a. Has this motivation changed since you started? If so, what has changed and why?
10. What would be the ‘ideal’ outcome of your efforts with _____?
 - a. What would it take to achieve this ‘ideal’?

11. What is favourable about using business to achieve this outcome?
12. Describe the role of profit in your business and what it enables you to do? (*e.g. making a living, growing the business, charitable giving*).
13. How do you accommodate growth while maintaining your vision and mission?
14. What is distinctive about your customers and why do they choose you?
15. Describe what criteria a product or service offered by your business must meet?
16. Who are your competitors, if any, and how have they responded to your business?
17. Hypothetically, having achieved your ideal outcome with _____ what might you do beyond this business?

Questions relating to value creation, innovation and change

18. How would you describe the value that _____ creates and who benefits?
19. More broadly, how would you describe the ways in which _____ makes a difference and what difference do you think you've made since the start? (*Locally, nationally, globally*)

Statement to participant: “*The famous playwright Bernard Shaw once said that ‘the reasonable man adapts himself to the world, the unreasonable man persists in trying to adapt the world to himself. Therefore all progress depends on the unreasonable man.’*”

20. While being unreasonable may seem an oxymoronic quality, in the context of Bernard Shaw’s quote, do you consider yourself an unreasonable person?
21. How would you describe _____ in terms of ‘doing things differently’ to others in the industry?
22. Has the notion of ‘doing things differently’ created any difficulties or challenges for you? If so, how have you overcome these?
23. At the same time have there been advantages, or any other positive spin-offs from this approach to business?
24. Do you believe that others in the industry are doing enough towards achieving sustainability?
 - a. How do you think New Zealand fares in terms of their efforts on a global scale?
25. In what ways, if any, do you believe that business is uniquely equipped to lead us towards a sustainable world in the years ahead compared to Government or civil society?
26. Do you believe you have an ability to change the rules or principles that govern or guide activity within your industry?
27. In regard to the ways in which we think and behave, do you believe you have an ability to change behaviour patterns and perceptions within society? How?
28. Do you believe you have an ability to stimulate global improvements in your chosen arenas? How?
29. In your opinion, are incremental changes in the ways we think and behave sufficient to achieve sustainability or do we need more fundamental/transformational changes?

30. Do you believe you can change the world?

Statement to participant: *“Thank you very much, that concludes my interview today, I appreciate you taking time out of your busy day to talk with me and contribute to my research. It is a valuable contribution to building our understanding around a unique group of individuals working towards creating a better world. Once I’ve worked through the material from this interview I’ll be in touch to let you know if I have any further questions or if it would be useful for me to undertake a subsequent interview with you.*

Before we finish, do you have any questions or do you want to comment on anything I may have forgotten to ask regarding my research, or where to from here?

Thank you.”

APPENDIX TWO – LETTER OF INVITATION

Daniel Houppermans

PO BOX 198
WAIKATO MAIL CENTRE
HAMILTON 3240
021 02188900
dhouppermans@gmail.com

Date
Name
Title
Business
Address

Dear _____,

I'm writing to invite you to participate in my research "*Change Agents: The Promise of Social Entrepreneurship for Sustainable Development*" which explores the role of social entrepreneurship in sustainable development within New Zealand. I have identified you and your business, _____, as one of three unique New Zealand examples particularly valuable to informing the questions that I have set out to explore. While you may not have been labelled a social entrepreneur before, the characteristics of you and your business fit very well with the definition of the concept that I have developed as part of my research to date. I would be most grateful for your involvement and the valuable contribution you would be able to make to this research.

My research makes up part of my masters thesis that I'm writing with funding from a University of Waikato Masters Research Scholarship and may also provide a foundation for future doctoral research. Your participation will help build upon the body of knowledge within and between the fields of sustainable development and social entrepreneurship.

As I'm very keen to have you involved in my research I'll work to accommodate your schedule and availability, keeping any requirements of your time to a minimum and coming to you to undertake my research. Your involvement will comprise at least one formal interview with the possibility of a follow up interview in order to build the content for the production of a case study about you and your business. Additional information may also be sought prior to, and following the interview via phone or email. Some additional information about my research is outlined on the attached information sheet, if you would like more information about my research or your involvement please don't hesitate to contact me at dhouppermans@gmail.com or call me on 021 02188900. I look forward to hearing from you and your willingness to be involved.

Sincerely yours,

Daniel Houppermans

APPENDIX THREE – PARTICIPANT INFORMATION SHEET

Change Agents: The Promise of Social Entrepreneurship for Sustainable Development.

Information Sheet

Researcher's name and contact information:

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Overview of research

My name is Daniel Houppermans and I am a postgraduate student in the department of Strategy and Human Resource Management at the Waikato Management School. I'm currently undertaking research for my Masters thesis with funding from a University of Waikato Masters Research Scholarship. The purpose of my research is to explore how social entrepreneurship plays a role in sustainable development within a New Zealand context with a view to developing some preliminary theory on the matter.

What will you have to do and how long will it take?

You are invited to participate in my research by means of a formal interview, with the possibility of a follow-up interview if required. I will travel and meet you at a time and place suitable for you. The questions that I'll be asking you will focus around your views and understanding of sustainable development, your business, your motivations, aspirations and so forth.

What will happen with the information collected?

Information that is collected will remain strictly confidential throughout collection. In the final report you and your organisation will be identified. You will be able to peer review the final case study and report for accuracy as well as the context within which your descriptions and accounts have been used. In addition to a master's thesis, it is hoped that this research will be published in an international, peer-reviewed journal.

Declaration to participants

If you take part in this study, you have the right to:

- Refuse to answer any particular question, and to withdraw from the study at any time.
 - Ask any questions of your own relating to the study at any time.
- Be given access to a summary of the findings from the study when it is concluded.

APPENDIX FOUR – THEMATIC ANALYSIS SAMPLE

Matt - I guess because capitalism is really the only game in town, it's the way the world is structured. And I think to be in that game, business is a great way of being at the coal face⁴.

I feel that that's something that the world takes seriously⁵; it's something that corporations and consumers all understand; that language; and they live it and breathe it. It really is the only game in town.

So when I think about Peoples Coffee and business I do really like the fact that people really take me seriously. Like when you go and travel and you meet the growers they, all turn up to see you because they know you're a buyer⁶. If we were an NGO going over there, there's so many people doing that, so many people wanting to do docs and research and stuff like that. It's been my experience that I think we get a really in-house view of things. I haven't travelled with NGOs much before, I just think you quite quickly get to the heart of certain communities because there's business.

And that's not to say that I don't think there's issues with that capitalist system at all, but I think that everyone understands that and it really does make a lot of difference. I guess I do feel a little critical of the NGO sector, that it really is a business itself. It's a business bureaucracy. It is like a para-business organisation on the side, where the consequences aren't as high. Whereas some of the real structural systemic problems of trade are around trade, and business models and trading systems - not necessarily around the way they're managed. So with business you really get in there and make some changes⁷.

² A: Ideal outcome = Industry transformation

³ T: Fundamental change

⁴ T: Business = tool/mechanism

⁵ A: Business lends cause credibility

⁶ A: Business allows first-hand access to communities.

⁷ A, T: Business, as part of capitalist system is a more effective tool for change.

REGULAR - MATT

ITALIC - DAN

BOLD - EMPHASIS

T' - THEME

'A' - ANSWER

UNDERLINE - QUOTE RELATING TO FOOTNOTE